

*The Budget—Mr. Andre*

Insurance to put those same people who are receiving unemployment and welfare back to work? What would be wrong with that? What is it in the makeup of the Liberal Party that makes it unable to imagine that it would be better to have people working, that it would be better to spend that incredible amount of money on creating meaningful work than to spend it paying people to do nothing? Why is not that an option to consider? I can only imagine that it must have something to do with the commitment the Liberal Party has to the economic status quo in this country, that their corporate bagmen would not want that amount of interference in the economy because it would change it fundamentally.

**The Acting Speaker (Mr. Corbin):** Order. I am afraid that question will have to be taken as a comment because the time provided for questions and comments has now expired.

**An Hon. Member:** That is not fair.

**The Acting Speaker (Mr. Corbin):** I am afraid it is fair under the rules. Ten minutes are provided for questions and comments, and that ten minutes has expired. The only way we could proceed further is by unanimous consent to allow the Parliamentary Secretary to answer. Is there unanimous consent?

**Some Hon. Members:** Agreed.

[Translation]

**Mr. Bujold:** Mr. Speaker, I would like to thank my colleagues for giving me this opportunity to answer my friend from the New Democratic Party. This is exactly what we are doing. We are using unemployment insurance funds to create productive jobs, under Section 38 and the Work Sharing program. This is what we are now doing. But I would point out to my honourable colleague that we can create jobs in so far as it is possible. Clearly, in a small Magdalen Islands community with 2,000 fishermen, we cannot have them all roaming the seas all winter long merely because we say we are creating jobs. We took steps in that direction within our own Department, and we intend to go on using unemployment insurance funds to go and get people out of their homes and bring them back on the labour market. This is what we have been and will be doing, Mr. Speaker.

[English]

**Mr. Harvie Andre (Calgary Centre):** Mr. Speaker, in this debate we are discussing a budget which offers Canadians absolutely nothing in the short term. Those nearly two million Canadians out of work will remain out of work. The budget addresses in no way at all the dilemma, the harm, the tragedy of that unemployment situation. Indeed, the Minister's projections for this year indicate employment will decrease. Not only will unemployment go up, but employment will decrease. There will be fewer jobs at the end of this fiscal year than there were at the beginning of this fiscal year. The only reason the unemployment rate will be as low as he is predicting is that, as he is predicting, more and more Canadians are going to give up and quit and leave the labour force and therefore not be counted among the unemployed. A budget at this time,

with this crisis, that the Minister predicts will result in less employment in Canada, has to be considered an utter failure in terms of that number one social problem.

• (1730)

In the long term this budget has to fill every sensible Canadian with terror. We are following the road that has been followed by such great economic examples as Brazil, Argentina and Mexico. We have the absolute refusal of this Liberal Government to recognize the fundamental reality that you cannot spend more than you earn—not over any reasonable period of time.

Looking at the deficit figures and the debt that is projected, any sensible person must be terribly worried about the future of the country. A deficit of \$31.2 billion is forecast for this year. That is a colossal deficit, Mr. Speaker. One might say that in a time of terrible recession we should not expect a reduction of the deficit, but the Minister predicts that in a year or so, with a relative growth rate of 5 per cent—a growth rate that we have not seen since the fifties, a growth rate which for Canada would be extraordinary—the deficit in 1984-85 will be \$28.7 billion, in 1985-86, \$26.6 billion and in 1986-87, \$25.6 billion. That falls in exactly the same category as Mexico, Argentina, Brazil, Poland and Romania, these other wonderful examples of astute economic management.

Perhaps you saw on the CBC television program "The Journal" last night, the Dean of Management Studies at the University of Toronto. He said that as a result of those predictions he forecasts that for a couple of years things will be bad and that next year we may think things are good, but after that we should prepare for the economic holocaust. He said that interest rates will be well in excess of those of a year and a half ago, well over 20 per cent, and he spoke of runaway inflation as the only possible development from these projected deficits.

If we are to have the 5 per cent growth rate that the Minister talked about, that means business is going to invest. It means growth in the economy, and that requires money. They are going to be out in the capital markets lending money, trying to get access to Canadian savings. But the Government is going to be there too, to fund these monstrous deficits plus refund the accumulated deficits. That competition for funds can only have the consequence of higher interest rates. If the Bank of Canada does not print any more money, the supply and demand equation will give high interest rates; if the Bank of Canada does print money, it will be inflation that is caused by that excess money that will ultimately give high interest rates. No matter what the standards, that is the inevitable result.

Only one thing would prevent that from happening—a return to a recession, for business to get out of the marketplace from borrowing money, for a return to what we have had for the last year. That will prevent high interest rates—a depression. Because of the cycle we are in, brought about by the mismanagement of this Government, that is the prediction of