

Supply

We could talk about other parts of the budget too. We could talk about the transfers for post-secondary education, for instance, something so important to the future of our country. Because of the freeze which has been put into effect until 1994-95—and these are not figures that I have generated or that the NDP research has generated, but come from the Canadian Association of University Teachers—\$3.8 billion, will be lost in transfers to our post-secondary institutions. That is \$3.8 billion which should be going to help develop the future of our young people, the future of our work force.

It is not just those of us in the opposition who have looked at this budget and expressed serious concern for what is going to happen to our economy as a result. Some of the economic forecasters have looked very carefully at the budget. I want to quote a few of these. I want to quote first from Informetrica, which is based here in Ottawa and is again an independent institution which in fact does a number of contracts for the government. It is not as if they have a in-built bias against this government in any sense. Yet they point out that the result of this budget, according to their detailed calculations, will be that over the next two years there will be 122,000 jobs lost.

They go on to make some points with respect to the budget, and I quote:

In the midst of a recession, the most powerful automatic stabilizer in the Canadian fiscal system has been "turned off", with a dramatic increase (24.4 per cent) in unemployment insurance contributions.

In the midst of a recession, this government has reached out and forced Canadians to pay more for their unemployment insurance coverage. Informetrica also states:

After persistent "lectures" from the government about the problems of inflation, indirect taxes have been increased—and labour costs increased. These two items will add about 0.4 per cent to the CPI in 1991, and another 0.2 per cent in 1992.

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In other words, it is a budget which will increase inflation despite the fact that the government talks in its budget about the importance of dealing with inflation.

Let us take another group, the Conference Board of Canada, which is usually on the government's side. What do it say? It says in its assessment of the budget which just came out this past Friday: "The budget risks extend-

ing the recession and making it deeper". It also says that this budget will "cut GDP growth, income growth in 1991, compared with what it otherwise would have been". It goes on to say there is no fiscal policy stimulus whatever in the budget to help get the economy through the current recession.

In other words, this business financed group is saying precisely the same thing that the New Democratic Party is saying, that there is nothing in this budget to help with the recession. It goes even further and says: "The recovery during the second quarter is now somewhat more at risk than before the budget because this budget takes purchasing power out of the hands of consumers".

It goes on to attack the believability of the government's inflation targets. It concludes by saying that it expects at least 67,000 jobs lost as a result of this budget, not quite as tough an analysis as Informetrica but completely similar in what it anticipates will happen.

The question is: Was there a choice? Could we have done something different? I want to use the last part of my comments to suggest that yes, there was a choice. We could have taken a different path. We could first have cut the interest rate gap between ourselves and the United States which historically has been 1 per cent, maybe 1.5 per cent. If we had done that, we would have reduced interest rates dramatically in this country. We would also have brought the value of the Canadian dollar down, which would have been a big help to our exporters and would have meant thousands of jobs across this country.

Also, the reduction in interest rates would have meant a reduction of about \$6 billion in the expenditure that had to be made to pay interest on our national debt. We could have taken that \$6 billion and invested it in the future. We did not have to increase the deficit. We could have taken the money saved from reducing interest rates, invested it in education for our young people in the future, in research and development so our companies would be more effective in world markets in the future and in training.

The minister has just said we do not have enough money for training. That is a tragic admission to have to make when there are over 1.4 million people out of work in this country.