

*The Budget—Mr. Mayer*

have a record 580,000 new jobs in the country. The Hon. Member went on to talk about credibility and described the Minister of Finance, in pious terms, as a decent man whom he hopes survives on his record. Let me advise the Hon. Member that the dollar is trading above 70 cents this morning and interest rates are declining.

**Mr. Langdon:** It started at 69 cents.

**Mr. Mayer:** The Member says it is 69 cents.

**Mr. Langdon:** That is where it started.

**Mr. Mayer:** The dollar, as I understand it, is trading at above 70 cents. We are not saying that it is acceptable but it points out that he is wrong. I suggest he should give credit where it is due in order to give balance to the debate.

If I had time I would reread the whole Budget speech to the New Democratic Party because they obviously did not understand the message.

The Minister of Finance began his Budget speech by stating, as reported at page 10979 of *Hansard*:

My message today is a serious one, and in many ways not pleasant. But it must be said. And it must be understood.

Let us review the situation. No politician wants to increase taxes because that is not popular. However, we are accepting a responsible course of action on behalf of our country. It would have been suicidal to continue the policy of the previous administration, one that was supported by the New Democratic Party.

**Mr. Langdon:** That's not true.

**Mr. Mayer:** The Hon. Member made pious remarks, like the "Holy Grail" of the deficit. However, he did not talk about job creation or the improved pension system. I grew up on a farm in Saskatchewan and the two names we most often heard at the time were Tommy Douglas and John Diefenbaker. I understand the Hon. Member when he talks about pensions. The Hon. Member for Moose Jaw (Mr. Gottselig) grew up in the same area and we understood the concern about pensions and perhaps were more aware about fair treatment for people than others from central Canada. We grew up close to the depression and understood that concern. The Hon. Member should give us credit for taking action to improve the pension system and for introducing a new child tax benefit system to increase assistance to those most in need while reducing overall costs. I suggest the Hon. Member would be much more credible in his criticism of the Budget if he would balance that criticism by mentioning those facts.

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He talks about the cost to the average person. This is the cost to the average person of a runaway deficit and sky-rocketing interest rates. Our farmers are now having problems. Why? There are a couple of reasons. We are seeing declining commodity prices, yet everyone talks about the cost-price squeeze. One of the biggest costs farmers face is interest

charges. Who put us in that jackpot? The previous Government. We saw interest rates go as high as 25 per cent and 26 per cent when it was in office. We are still trying to recover from that shemuzzle. We should be thanking the Minister of Finance for having the courage to tackle this problem.

In listening to the Hon. Member one would think the situation would correct itself by some type of cosmic coincidence which has nothing to do with reality. What is even more incredible is that the Hon. Member, who has a responsible position in his Party as the official spokesman for a major economic responsibility, that is, the Department of Regional Industrial Expansion, did not say anything about what he would do as far as the Atlantic region is concerned.

**Mr. Orlikow:** You're cutting funds to the Atlantic region.

**Mr. Mayer:** Unemployment in that region is high. I did not hear him say anything about what he would do for western Canada where there is concern over the farming economy. One would have thought that in his position he would have addressed some of these issues. Had he done so we would be able to look at the NDP and say that this is what it is proposing and this is what the Minister of Finance is saying, let us make a judgment. He has said that we would be defeated at the polls. I assume by saying that, that he thinks the NDP would pick up some support in our being defeated. Anyone going to the people with that type of platform would be laughed out of the room, and justifiably so.

**Mr. Orlikow:** We'll see what happens two weeks from today in Manitoba.

**Mr. Mayer:** Let us consider what happens when interest rates go down. Nobody likes to be in debt. With respect to a mortgage of \$50,000, every time the interest rate goes down by 1 per cent a \$500 a year saving results. Admittedly, interest rates have risen recently—more than anyone would have liked. No one plans for that type of increase. The over-all plan of the Government is to get its spending in order so that less pressure will be placed on capital markets and so that we can see a reduction in interest rates. Small-businesspeople, farmers and people trying to buy their own home will benefit from such measures. We can see the results when we consider the increase in the number of housing starts.

I would now like to deal with the issue of jobs and social programs. The biggest social measure in the world is a job. That is what we have been successful in creating, jobs. We have created 580,000 jobs. I do not think the Hon. Member heard what the Minister of Finance had to say in his budget speech. In fact, he did not want to hear it.

**Mr. Orlikow:** There's 9.6 per cent unemployment!

**Mr. Mayer:** I will read a couple of paragraphs from the Minister's speech. The message must be understood. This is the message in terms of what we have been able to accomplish.

Job creation has been vigorous. The unemployment rate has fallen from 11.7 per cent in September 1984 to 9.8 per cent today—the first time it has been below 10 per cent since April 1982.