

Borrowing Authority Act

mons and of the Government, transfers to Crown corporations, et cetera. It represents 28.3 per cent of the total spending.

How much could the Opposition cut back in this area which represents 28 per cent of total Government expenditures? Will they have to dip into the other 72 per cent which represents transfers to people, and so on? The largest transfer is for health and welfare. Health costs in the United States are much higher than ours but they are paid for privately. They represent 10 per cent of the Gross National Product in the U.S. compared to 8 per cent in Canada.

Substantial cuts can be made only in two areas. The first is the operational area of government, the goods and services that the Government exchanges; the other is in the large area of transfers to people for health, welfare, pensions and other things. Where will those cuts be made? I submit that there is always some fat that can be cut out.

Mr. Blenkarn: When did you ever do that?

Mr. McRae: In the next year we will reduce the deficit by about \$3 billion. Most of the cuts will have to come from these transfers to people. If the Tories believe that the deficit is the greatest problem, then pensions, health services and such things will have to be cut, particularly if the cost of defence is to be increased. I do not know where the cuts will come.

For an indication I can look at what President Reagan has done in the United States. He has cut school lunches, social security and so on, areas that we have not cut. Basically this is a compassionate Government. I should like to refer Hon. Members to an article that appeared in *The Sunday Star* of Toronto of February 12 this year.

Mr. Crosbie: The bible! The bible tells me so.

Mr. McRae: I consider Joseph Schlesinger to be a very reputable correspondent. He wrote:

Canada and the United States have both been going through tough times the past three years with high unemployment, increasing poverty and strained budgets.

But there is a major difference in how the two countries have dealt with the victims of the hard times.

Call it the Compassion Difference.

Paraphrasing the President of the United States, he has said that a lot of people sleep out at nights because they choose to do so. A former assistant to the President, the Attorney General of the United States, says that people go to soup kitchens to eat because it is cheaper that way. This shows a lack of compassion and there have been large cuts in these areas.

One would not think that these cuts would have created growing deficits in the United States. There were large tax cuts for people earning \$80,000, for instance, which amounted to \$15,000; but for people earning under \$10,000, it amounted to \$240 per year. The congressional budget office tells us that if defence expenditure increases and tax cuts had not been brought in, the United States would have no deficit by next year. That is what happens under a very conservative government, Mr. Speaker.

I cannot tell whether the Official Opposition would do the same thing if it formed the government but it seems as if it is indicating it would. That gives me great concern about what would happen to pensions, family allowances and health services, for instance. The Tories talk about cutting back on such things and increasing defence spending. They sound exactly like President Reagan.

This Budget brought in some very important programs. A lot of Canadians are afraid for the future and in some areas the fear is legitimate. Contrary to what I see in the United States, I see in this Budget an attempt to eliminate some of the worst fears. I believe the worst fear which Canadians can have in an economic sense is the fear that when one retires there will not be enough money to keep oneself going. That is particularly the case with private pension plans where very often when the husband dies, he being the person who worked and who put money into a pension plan, the wife receives nothing, or two years of benefit or something of that nature. We are saying we must get these private pension plans working. We must make sure that people have good incomes after retirement. It is very important that people be secure. These pensions must be indexed so that people can continue to live in a decent way. This kind of thinking is very different from what I see of the Reagan government in the United States, and it is different from what I believe is going to happen if those people opposite come into power.

● (1650)

There is another area where there has been a good deal of concern over the past few years. We have had a lot of cases in Thunder Bay where people buy a house, put down a nice down payment and are managing very well. Then all of a sudden interest rates climb. They have to renew their mortgages and they are caught. Perhaps one member of the family loses a job and they cannot make the payments. As a result, they lose their home.

We have fought very hard for a solution in my own constituency, and I commend the people in my office particularly, who have written very many letters about this kind of situation. We are now putting a plan into action which will give protection to Canadian home owners so that they will be secure in the knowledge that their mortgage will have, more or less, a fixed interest rate. These are the kinds of things which a compassionate government does, and which we have been doing. But I am very much afraid, and I believe Canadians are very much afraid, that in the future, if the government changes, this will not be the case.

Mr. Deputy Speaker: Order, please. A period is now provided for questions and comments. Questions, comments? Debate.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am very pleased to be able to speak this afternoon on Bill C-21, an Act to provide borrowing authority. I feel a great deal of compassion—and I would like to express it at this time—for those members of the Government, such as the previous speak-