

Then they were going to develop industrial policies to stimulate economic growth. That was a promise of the Prime Minister. What happened? We all know that in the first quarter our real gross product here in Canada declined one half of 1 per cent. Can anybody stretch their imagination to say that they have stimulated economic growth?

They are going to create jobs. How many were unemployed in May in Canada? There were 904,000. The rate is up to 7.8 per cent, yet the Prime Minister is going to create jobs. He is going to increase Canadian ownership and control the economy. A fat chance! Nobody will want to own this economy if this government continues with its lack of policy and lack of thrust for the next four years.

He was going to protect poor and middle income Canadians by helping first those who most need assistance. Yes, by taking away the indexing, with the results I have already explained. He is going to do away with the mortgage interest and property tax credit scheme. He did do that. Where is the great scheme to help renters and home owners that we used to hear about from the Minister of Industry, Trade and Commerce when he was in opposition? There is not a word about that.

What happened to interest rates? Interest rates went up to 16.2 per cent during the period this government has been in office. They are down again now, but we know that has nothing to do whatsoever with the Minister of Finance because he himself was good enough to admit that in one of his few frank moments. In fact, he has few moments, frank or otherwise, as far as I can see. On June 13, as quoted in the *Ottawa Journal*, he said in all modesty, and I quote:

—there is no way we can insulate ourselves totally from the U.S. recession.

He made that admission. On April 18, he said lower interest rates were welcome news, but it is worth pointing out that the high interest rates we have had and the very rapid increases in these rates recently have been the direct result of action taken in the United States. He admits he cannot affect interest rates one way or the other. They go up, they go down. They follow the United States kangaroo. When the kangaroo in the United States jumps up, up comes the little pup from down in the belly and the interest rates go up here in Canada. The Minister of Finance is like a little kangaroo pup in the belly of the United States kangaroo. Up, down, up, down. The Minister just went to Venice. There the little kangaroo had a ride with the big kangaroo in a gondola.

What else did they want to do with the tax system? On March 24, only a month after coming into power, the Minister of National Health and Welfare (Miss Bégin) came out with this. I quote from the *Ottawa Journal*:

Included in the minister's list of tax exemptions which she would like to be re-examined were the exemptions for the aged, the married and for children, as well as those offered corporations.

The minister wants to do away with tax exemptions for the aged. She wants to do away with tax exemptions for the married and for children. Well, if you are not married and you are not aged and you are not a child, who are you? She wants to do away with exemptions for everyone. That is the new, equitable policy of the Minister of National Health and Wel-

fare, wanting to put her foot right on the neck of the aged taxpayers of Canada as well as the married and the children. This is the great new equitable tax policy that this government is coming forth with. I should say coming forth because it is not coming forthwith.

The minister mentioned the 18-cent excise tax. The suggested 18-cent excise tax on gasoline is going to be far less than the minister is going to be introducing this year and next in his refinery tax at the refinery gate level. That will be on gasoline and on heating fuel. It is going to be far less for the Canadian taxpayer than the de-indexing of the income tax and the other tax increases he is going to make.

The Leader of the New Democratic Party mentioned the level of the deficit of Germany. He keeps yelling, "What about Germany? What about Germany? Well, Germany has tremendous exports. It has tremendous credit in its current account with the rest of the world. It is a strong country. It does not have one drop of oil internally; it imports all its oil. However, it is doing well in the world. If they have a larger internal deficit than we, they can well afford it. They have not had those kinds of internal deficits for the last seven or eight years as we have.

It is not the deficit in any one year that is causing the difficulty today. It is the fact that we have had them for seven or eight years, culminating this year in a deficit in excess of \$14 billion. That is what the trouble is. The minister has admitted that his hands are tied in trying to grapple with the recession starting in the United States because of that. He described in his remarks in this House the fact that the large budgetary deficit in the current account means he has little room to manoeuvre. That is the effect of the deficit.

We are not against deficits per se. Nobody suggests that they can be done away with immediately. However, one way to stimulate this country's economy is to start reducing the deficit over a period of three or four years and give the private sector some hope that they are going to be allowed to expand and create jobs. Give them some encouragement, not have them compete with the government for every dollar that they borrow or every dollar that they want invested in them.

The minister and his party did untold damage to this country by defeating us last December 13. Then we just about reached our oil agreement with Alberta. We had the deficit under control. We had an energy tax ready to go ahead in the oil and gas industry, so as to get necessary money to finance energy related projects throughout this country, including helping the taxpayers and the home owners of eastern Canada. All of these things were in place. We had suggested an energy tax credit to help lower and middle income people here in Canada. All of that has been stopped for the last six or seven months by the action taken last December 13.

What good is being done? There is no good being done except to put the minister's party back in power. We have had nothing but indications from the minister and different colleagues of his as to what their course is going to be. They have just been to Venice. What does the communiqué say? Inflation is to be given immediate top priority. There is going to be