Mr. Wilson is the first competent Minister of Finance this country has had in a long time.

Some hon. members: Hear, hear.

Mr. Saint-Julien: To clean up the Liberal legacy!

Mr. Vincent: As the hon. member for Abitibi said: To try and clean up the Liberal legacy—

Mr. Saint-Julien: It's true!

Mr. Vincent: —and the accompanying abuse, Mr. Speaker! There were companies that didn't pay income tax. There were loopholes. There were scientific research tax credits which cost this country billions of dollars, Mr. Speaker. And this with the knowledge of the Minister of Finance at the time, Marc Lalonde, who admitted as much in an article in *L'Actualité*. They really let things go. However, Mr. Speaker, as of September 1984, this loophole was closed. Even before the economic statement, even before our first Budget, we said: That's it!

Mr. Saint-Julien: It was highway robbery. It was the Liberal robbery of the century!

Mr. Vincent: Yes, Mr. Speaker. However, Mr. Speaker, we had 1 per cent real growth this year.

From 1984 to 1989, we had an annual growth rate of 4.5 per cent, more than all the world's industrialized nations. As far as employment is concerned, we were better off than every other nation in the world except Japan. What the opposition doesn't say is that from 1984 to 1989, private income increased 16 per cent, after inflation and after taxes. This means that even with inflation and tax increases, and we admit to those, we do—Canadians judged us on our record in 1988—even after tax increases and inflation, private income increased 16 per cent in five years.

Some hon. members: Hear, hear.

Mr. Vincent: They don't bring that up very often, Mr. Speaker.

Mr. Della Noce: We should send them a memo to remind them!

Mr. Vincent: Mr. Speaker, in the same period, the demand for business and services in this country increased faster than production. This means that more Canadians were seeking more goods and services than Canadian companies could manufacture and sell. It is all part of the law of supply and demand, and in this case there was more demand than supply.

What happens, Mr. Speaker, when demand is greater than supply? It leads to what we call inflation. We experienced that in 1981-1982.

There are two ways to resolve the inflation problem. We could let it be and then all of a sudden, wake up to raise the interest rate to 22 per cent. That is what I call the Liberal way.

Mr. Saint-Julien: It's true. That is what they did.

Mr. Vincent: It hurts everybody, it causes bankruptcies, and it creates a recesssion as the dictionnary would have it.

There is another way, Mr. Speaker. When the inflation rate, which should normally be at 3.5 per cent reaches 6 per cent, we must raise interest rates so that the demand for goods and services decreases as regards to supply. That is the right way to do it. And that is the way we did it.

Just to give you an idea, Mr. Speaker, labour costs in 1989 were 6.6 per cent higher in Canada than in most industrialized countries. Consumer mortgage borrowings have increased by 17.1 per cent in 1990 over 1989.

An hon. member: Where is that?

Mr. Vincent: That is what happens, Mr. Speaker, when too many people want goods and services. To answer the hon. member's question, even though he has no right to speak— I let them speak, but I will show more courtesy than they did, I will answer their questions right away. Inflation, Mr. Speaker, is rampant from Newfoundland to British Columbia. And inflation has increased in every province of this country. Now, I hope you will have the courtesy to let me continue.

Mr. Speaker, a too rapid drop in interest rates would rekindle the inflationist outburst that we have experienced and that we are begining to overcome, fairly well I might add. Hence the importance of pursuing the monetary, economic and fiscal policy set out by the Minister of Finance. Thus the importance, Mr. Speaker, of trying our best to make them understand. I know it is difficult. I have been trying for six years to put certain principles, certain figures into their minds to make sure they are