

*The Budget—Mr. Layton*

Perhaps a brief remark should be made on the recently introduced federal legislation regarding justice for victims of crime. This is a very real initiative on the part of a volunteer community, led by Sergeant Detective Menard, which has led to a considerable influence on our Government to bring forth legislation for victims of crime. Convicted criminals may now pay for their crimes, and most important, victims will be recognized and their needs and rights addressed.

I am also proud that citizenship court ceremonies are now held in the West Island, particularly in our riding. This is a first, and brings the citizenship court and its importance to where new citizens live.

Finally, for a number of years, once every month a representative from the Department of National Health and Welfare has come to the West Island to answer questions about old age security, pensions and family allowances.

In conclusion, the good will, confidence and assurance that I represent in my remarks this afternoon on behalf of my riding are based on our confidence in the Minister of Finance and the steadfast continuity and stability of his economic message and Budget.

[*Translation*]

**Mr. Leblanc:** Mr. Speaker, first of all I would like to congratulate the Hon. Member for Lachine (Mr. Layton) on his excellent speech. The Hon. Member is 62 and therefore a man of experience. He has a great deal of experience in the business world in Montreal, and I can assure him that what he said today about the Budget is true.

In 1984, the former Minister of Finance, Mr. Lalonde, forecast a deficit of \$48 billion. That was his forecast. However, during that same year, we managed to reduce the deficit to \$36 billion, which means \$12 billion less. All this means is that the Minister of Finance was dead right.

There is something I would like to add to what the Hon. Member for Lachine (Mr. Layton) said about job creation generating revenue and increasing the federal Government's tax base. From 1980 to 1984, under the Liberal Government, the Montreal area saw a drop of 4,000 in the number of jobs. In fact, considering our mandate and the short time it took us to put the whole machine back in good working order, from 1984 to 1987, in just three years, we managed to make the Montreal area . . . I say the Montreal area because the Hon. Member for Lachine is from the Montreal area. I am too, and I am proud to say we created 114,000 new jobs in this area in just three years after the Progressive Conservative Party was elected. Mr. Speaker, the Minister of Finance sees his task as a long term project, because the Minister's Budget is not just a year-to-year affair like the Liberals used to produce at the time. What we have is a long term Budget, a long term project so that business people can invest in long term programs. Nobody in business invests substantial amounts without knowing what kind of budget the Minister is going to bring down each year.

In fact, the Minister of Finance is to be commended for having opted for a long-term program to stabilize the Canadian economy. I would like to ask whether the Hon. Member for Lachine believes . . . Personally, I think the forecast deficit of \$28 billion is too high. I would even say that, considering the economy's rate of growth and the statistics we saw last month, the deficit, instead \$28 or \$29 billion, should be expected to be around \$25 billion. What do you think, as the Member for Lachine?

[*English*]

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Longueuil (Mr. Leblanc) has asked the Hon. Member for Lachine (Mr. Layton) a question. Would the Hon. Member like to answer?

• (1740)

[*Translation*]

**Mr. Layton:** I want to thank the Hon. Member for Longueuil (Mr. Leblanc) who is himself a businessman and a prominent citizen in a riding as substantial as my own, on Montreal's Southshore. The riding is well established and well known, and it is in very good shape today.

I could not agree more with what he said about the need to continue our annual deficit reduction program. I think \$25 billion is a very promising goal, but I think we should bear in mind the many other factors that have an impact on the country's economy. I spent two years as Minister of State (Mines), and I feel that as far as the mining industry is concerned, the situation is very volatile, and that we must have programs available for the regions and various industries and sectors, like the mining industry, which may from time to time experience a negative cycle. But with that reservation . . . I am very confident about your suggestion regarding the \$25 billion and the fact that we should simultaneously reduce our annual borrowing needs and our debt.

**An Hon. Member:** The Hon. Member for Longueuil won't be around, that's why!

**Mr. Layton:** Yes, but he can hear me.

Mr. Speaker, I am pleased to say I fully agree with the Hon. Member.

**The Acting Speaker (Mr. Paproski):** Further questions? The Hon. Member for Richmond—Wolfe (Mr. Tardif).

**Mr. Tardif:** Mr. Speaker, the Government Member spoke at length about the need and the relevance of reducing the deficit.

Everyone will agree it is important to reduce the deficit. However, observers tend to agree that the drop in the deficit was not due to good management but to higher taxes.

My question to the Hon. Member is as follows: Why did his Government opt for reducing the deficit by savagely increasing taxes, and what is worse, taxes paid by consumers, by people