

The Budget—Mr. Marcel Tremblay

particular to its social programs. The Government has decided to develop a strong Canada that is entirely competitive with other countries. It proposes to declare war on the national debt, that cancer which eats its way through public finances, by implementing a firm, measured and cohesive budget.

According to our sources, it would seem that by introducing such a Budget the Minister of Finance (Mr. Wilson) assured himself of a political future for years to come."

End of special bulletin.

I can tell you, Mr. Speaker, that every single piece of information in my special bulletin is verifiable.

Mr. Kindy: Mr. Speaker, I listened with interest to the Hon. Member's speech, which was mostly about the deficit and the debt. He said that the debt would be reduced in a matter of years. If we look at the statistics, we see that in 1984, the debt was about \$180 billion, while today it is \$350 billion and is increasing daily.

The Budget this Government brought down has a deficit, which means we are about \$30 billion short for this year. Our revenues this year are \$112 billion, while our expenditures will be \$142 billion. That gives us a deficit for 1989-90 of about \$30.5 billion.

I think these figures show we are not really dealing with the problem of the deficit or with a national debt that next year will total \$380 billion, while the interest on the debt is expected to be 38 cents of every tax dollar the Government receives.

I don't think we are dealing with the debt and I don't think we have made enough cuts. This year, the Budget was increased by 7 per cent, a very substantial increase, and we do not have the revenues to make up for this \$30 billion deficit.

In 1991, the Government will introduce a sales tax that will affect all taxpayers on low incomes. The tax will increase inflation by about 3 per cent.

I would like the Hon. Member to answer the following question. What does he think of a sales tax that in its first year will raise inflation by about 3 per cent?

Mr. Tremblay (Québec-Est): Mr. Speaker, first of all, perhaps I may recall what I said in my speech which is that in my view, the \$30 billion deficit is low enough to satisfy the financial markets and will help bring down interest rates as quickly as possible, something Canadians are looking forward to, especially my constituents in Québec-Est.

Mr. Speaker, this year we have had some hard knocks financially as a result of interest rate levels that were much higher than expected. If the Hon. Member would look at the timeframe in which the Budget is expected to have an impact, he will see that by 1993-94, financial requirements will have fallen to \$3 billion, compared with \$20.5 billion in the Estimates tabled recently by the President of Treasury Board.

For the benefit of those listening, perhaps I may recall that financial requirements represent the money the Government will borrow on capital markets, and that this indicator compares pretty well with the definition of the deficit used in the United States and the United Kingdom.

According to this indicator, Mr. Speaker, Canada will have almost balanced its Budget by 1993-94, and I think that is a fundamental point people should remember. Although the present exercise leaves us with a deficit of \$30.5 billion, we must realize that this is the kind of action we must take now if we want to succeed in controlling and balancing our Budget within a reasonable timeframe.

Mr. Rocheleau: Mr. Speaker, I would tend to agree with my colleague from Calgary-North-East (Mr. Kindy) when he talks about the debt increasing from \$177 billion in 1984 to \$320 billion today. And, according to the Budget, this year's deficit will be \$1.5 billion higher than last year's. This goes to show that before November 21 1988, the Conservative government kept hidden from the Canadian people the real problems which this country is facing.

• (1710)

I ask myself and I ask the Hon. Member from Québec-Est whether the people in his riding were not fooled by the promises of the Conservative government considering the fact that unemployment insurance is now left entirely to employers and employees. In the case of universal social programs such as old age pension, it is again the people who have worked all their life, regardless of the money they have, which will have to pay. In Baie-Comeau, the Prime Minister of Canada, with his mother at his side, said that social programs would not be