The Acting Speaker (Mr. Paproski): The time has expired, so I would ask the Hon. Member to respond briefly.

Mr. Keyes: Out of respect, Mr. Speaker, I will answer the Hon. Member's question. Women and children first, Mr. Speaker. We had a Government that set its mandate, not only within the last five years, as my colleague has indicated, but within the last two years, within the last six months. During that election campaign all the promises came forward. All the money was there. Every nickel was accounted for. It was all within the fiscal framework of the Minister of Finance (Mr. Wilson). It was all there. Canadians stood up and said: "Boy, they must know what they are talking about. They have all the money in the bank. The Finance Minister has it all lined up and accounted for, every nickel. Look at all the great stuff we are getting, yet they are still going to reduce that deficit. How are they going to do that? Well, it does not matter. If they said they can do it, then we will give them the confidence to do that."

What happens? Four months later, a scant four months later, and all the lines start pouring out from Members on the Government side.

To directly answer the question, what is happening is that the Government, through these policies, through the harmonizing policies that it is now looking at between Canada and the United States, is now in the process of subsidy negotiations with the United States before the United States has even begun to sit down at the table.

Mr. Nunziata: Supplementary question, Mr. Speaker?

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Questions and comments are now terminated. The Hon. Member for Mississauga South is the next speaker, and the Hon. Member will have many opportunities to ask him a question.

Mr. Nunziata: I rise on a point of order, Mr. Speaker. With the greatest of respect, I am sure if you review the record it will show a promise made by you to recognize my friend and colleague.

The Acting Speaker (Mr. Paproski): Yes, I did, if there was time. However, the Hon. Member for York South—Weston took an extra three or four minutes. The Hon. Member for Mississauga South has the floor.

Mr. Marchi: Typical Tory. Break another promise.

Mr. Nunziata: I'm not going to vote for you the next time.

The Acting Speaker (Mr. Paproski): Would the Hon. Member like to withdraw that statement?

Mr. Nunziata: Absolutely, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Thank you. The Hon. Member for Mississauga South.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, in November, 1984 the Minister of Finance (Mr. Wilson) set forth to the House of Commons a course of action that he initiated to try to solve the problems that he said were with us at that time. He set forth a course that would reduce the amount of the deficit, bit by bit chip away at it, and eventually get the country to a point where it could start paying back a horrendous legacy of debt.

Over that period of time the Minister of Finance proved exceptionally competent. In 1986 his deficit projections made the year prior were exactly as he said, and he did what he promised. In 1987 his projections were right on, except that he found an extra $1 billion and reduced the deficit even more than he thought he could do.

In the year just finished, 1988, by cutting back on expenditures, by controlling things very carefully, despite interest increases, the Minister of Finance brought in a deficit bang-on to what he forecast back in February for the 1988 year.

Up until now the Minister of Finance has been doing a superb job. Unfortunately, he has been faced with a problem that has particularly developed since last November. Last November the Minister of Finance was quite easily able to place a successful Canada Savings Bond issue at 9.5 per cent. Unfortunately, last week interest rates had risen to 12.5 per cent and people were redeeming Canada Savings Bonds in great fashion, and the cost of carrying the overwhelming debt of the country was rising at an unbelievable rate. It is estimated that the cost of carrying that debt in this fiscal year will be $39 billion.

That is an enormous amount of money. It has thrown out of whack the projections originally made in 1984 and repeated year after year as we chiselled away at the problem. This year, and possibly next year, we have to do some things to get back on track. That is the reason for the Budget.