

Mr. Kindy: Mr. Speaker, I would like to hear some comments from the Hon. Member with regard to the Australian experience. In 1987, the Labour Government of Australia introduced a means test. I point out that the Labour Government in Australia had inherited a deficit of about \$8 billion. The inflation rate at that time was 11 per cent and unemployment was at 9.6 per cent.

Today, the experience in Australia shows that the Government is expecting a budget surplus of approximately \$5.5 billion. So that experience worked extremely well. The Budget was balanced and a surplus is expected.

The unemployment rate in Australia is down to 7.6 per cent and the inflation rate is 7.7 per cent. It was a socialist Government in Australia and it did very well. However, it had the courage to introduce a means test.

Mr. Barrett: What do you think income tax is?

Mr. Kindy: I would like the Hon. Member to comment. I think we should perhaps look at that experience. We have a huge problem in Canada. Our deficit is rising and our debt is increasing. I would like the Hon. Member to comment.

Mr. Stupich: Mr. Speaker, at the beginning of my remarks I admitted that the deficit is rising, that the debt is rising and that the Government is not doing anything about it and that the Liberals did not do anything about it either. I suggested ways of dealing with it. I suggested ways of getting more revenue by going after the corporations which have been escaping the tax man so far. I suggested that the Government go after individuals in the high income tax brackets. I would like to see us get three-quarters and not half of the \$4.4 million that the person at the top of the list received in cash compensation last year. There are ways that the Government could be getting more money. We do not need the means test. There are methods.

The Hon. Member asked me about the Labour Government in Australia. The one significant thing it did at the beginning is that it sat down with industry, labour and the communities and got everyone to agree to the program as it was proceeded with. It had the support of business, labour unions and individuals.

I challenge the Government and I challenge the Hon. Member to produce one Tory Premier who supports the GST.

The Budget—Mr. McKnight

Some Hon. Members: Hear, hear!

Mr. Stupich: I challenge the Government to get into a consultative process with the community as a whole before it moves in this direction.

Hon. Bill McKnight (Minister of National Defence): Mr. Speaker, as the debate on the Budget that was brought down by my colleague draws to a close, I am very pleased to take part in the debate and to discuss in a rational forum, as my colleagues on this side of the House have, the necessity of the instrument of a Budget to rectify wrongs that have built up over a number of years in Canada.

This was a difficult Budget. It was a difficult Budget for all Canadians. It was a particularly difficult Budget for the Canadian Armed Forces. However, it is very easy to imagine something that could be worse.

We could have ignored the extent to which we were going, with the debt building up ever increasingly day by day, year after year. We could have listened to the wailing prophets of gloom and doom from the Liberal Party and the New Democratic Party who have in their loud voices this time recognized that there is a debt. However, those voices were stilled over a number of years. Those who held those voices had their eyes shut. They stepped on the accelerator. They blew down the alley of Utopia. They looked for the end of the rainbow. Or, they had a fantasy that was substituted from the troublesome reality that Canada has to face today.

• (1220)

I guess in some ways I envy Opposition Members in their simple world, a world of self hypnosis that they are involved in. I suppose if the finances of Canada could be tranquilized by hypnosis it would be a much easier country to govern. I do not believe in the theory of Disneyland economics. There are realities of today and those realities have to be met.

It is an entirely different world outside of that comfortable cocoon that Opposition Members sit in. We have heard them enunciate all the wrongs that have been brought out in this Budget in their minds. But we have not heard how they would have handled the real reality of today.

The Minister of Finance (Mr. Wilson) has given this House a very stark, informative picture of the finances and realities of today. He has outlined the stringent