South (Mr. Blenkarn), can accompany us and get to know Canada better, as well as what Canadians are all about.

Mr. Penner: Mr. Speaker, I just want to conclude by saying that the Minister of Finance did brag in his speech that we should all take satisfaction from the fact that the rate of inflation at least is down to 4 per cent, and isn't that something we can all be happy with because now we have more money to spend? But what he did not tell us is that the rate of inflation was the highest of any of the G-7 countries. He did not tell us that of that 4 per cent increase in the inflation rate, two to three points are directly due to the tax burden he has imposed on the citizens of Canada.

He argues in his speech that Canadians now have more disposable income. He does not say that Canadians, since he became the Minister of Finance, have been faced with a 52 per cent increase in their taxes. I am talking about the average Canadian family. The argument about the inflation rate being to the benefit of Canadians is also hollow.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I enjoy hearing from the Opposition with respect to this rather good Budget of February 18. Indeed, comments right across the country have been about the quality of the Budget and the competent administration of our Minister of Finance (Mr. Wilson) and President of the Treasury Board (Mr. de Cotret). I can only say that while the Opposition may not see any good news in the Budget, it was a Budget of a responsible Government.

The Budget indicated that our deficit in relation to the Gross National Product is down 39 per cent, our borrowing requirements in relation to the Gross National Product are down 42 per cent. *The Fiscal Monitor* issued March, 1987, followed up on the Budget, and I will read from three paragraphs:

> For the first nine months of fiscal year 1986-87, (April to December), the budgetary deficit stood at $20.6 billion, down $3.5 billion from the level registered in the first three-quarters of fiscal year 1985-86. The year-over-year improvement in deficit continues to reflect the growth in the economy, restraint on spending and the impact and timing of past budget measures—financial requirements, excluding foreign exchange transactions, were down $8.8 billion compared to the same period a year ago—total financial requirements, including foreign exchange requirements, stood at $18.2 billion, down $6.4 billion from that registered in the first three-quarters of 1985-86.

That is remarkable management, and it ought to be acknowledged by the other side as remarkable. The harping we have heard is not proper or fair.

We have not had an easy time in Canada during the last year or year and a half. We have seen oil prices decline from $32 a barrel down as low as $10 a barrel, at one point, and I am talking of American dollars. That resulted in a loss of some $1.5 billion in tax revenue from oil companies. It also resulted in a great retraction in the drilling activities of the oil industry.

• (1520)

It has not been easy in the oil fields, and it has not been easy in the mines. Copper prices are lower than they have been since the Great Depression. Lead, nickel and zinc prices are down to almost unbelievably low levels. The grain trade, not only in wheat but in other grains, is faced with massive competition throughout the world. The effect has been that we have had to sell grains at a world price far below that which should reasonably be expected for the products. As a result, things have not been easy.

I remind you, Mr. Speaker, that Canadians have always been described as hewers of wood and drawers of water. Our wood and our water—our raw resources, our soil, timber lands and mines—have not been producing the returns they should have produced, the returns we could normally have expected. Despite that terrible performance in the resource sector and the commodity sector, the GNP has managed to increase over 3 per cent. Indeed, the growth rate was in excess of that of any other country in the OECD, and that is a remarkable performance. That remarkable performance ought to be congratulated by Hon. Members on the other side.

Our remarkable performance has been recognized by the exchange rate. The value of the Canadian dollar has increased significantly since the first of the year. Our remarkable performance can be demonstrated by the interest rates which are down to 1972 and 1973 levels. Over 200,000 homes will be built this year alone. That is remarkable. Yet we hear Hon. Members from the other side grouse, put Canada down and say how terrible things are.

It has been tough in parts of the country. It has been hard in parts of the country that rely on resources and there is a significant unemployment rate in some of those areas. That is a problem we will have to address, but we recognize the problem and we are getting at it. That is why the Government just recently committed $350 million to Alberta's oil industry. That is why the Government spent $1 billion of its funds trying to reinvigorate and help farmers in the production of grains. We are not doing nothing about the situation; we are in fact acting to try to ameliorate the problem in the commodity market and in those parts of the country where growth has not been up to snuff.

Hopefully international markets will improve. It is not the fault of the Government, however, that international markets are soft. The Government is doing what it can to ameliorate the problems of soft markets, but that is all it can do. We will try to do what we can to improve conditions, but conditions cannot be improved by government action alone. We need new international agreements on resources so that countries do not continue to compete with each other by giving away their heritages.

I would like to speak for a moment about the reforms of the House of Commons because I think those reforms are important to Parliament and I think the Budget debate should emphasize those important reforms. I am particularly