

Supply

Mr. Speaker, we know what happened. Inflation reached 12 and 13 per cent and since it was too high they had no other choice than to raise interest rates to 22 and 23 per cent in an attempt to control it.

Our government accepted that responsibility. We told ourselves it was time to control inflation, and that increasing the interest rate was the way to do it. We knew that by doing so we would be hurting Canadians, but also the federal government! That goes without saying. But we acted in the best interests of our nation. It was the best solution: I think all Canadians would rather see the interest rate at 14 per cent instead of 22 per cent, as we have seen it before. When the interest rate reached 22 per cent, I was in business, Mr. Speaker, and I can tell you I worked very long days!

So, you have here the position of the government, the economic course of action we want to follow.

Finally, Mr. Speaker, the deficit will grow again this year, that's right. It will grow because the debt service costs, that is the amount of interests we have to pay, has increased by \$6 billion, due to the fact that we have decided to control inflation by increasing interest rates.

[*English*]

Ms. Albina Guarnieri (Mississauga East): Mr. Speaker, it is with great sorrow that I must rise today to defend the principle of universality, a principle that requires no defence to those in pursuit of a just society. It is a principle which the Prime Minister (Mr. Mulroney) himself has so often referred to as a sacred trust. I say with sorrow because the Government, in order to fulfil its obligations under the Free Trade Agreement, is creating Canadian social policy in the American image. The Government is clearly attempting to graft the American version of social Darwinism on Canadian social policy.

• (1400)

The Liberal Party touched a nerve in the last election when it warned Canadians that the Tory free trade agenda was more than just a economic contract. It involved the destruction of the cherished social service safety net. At that time the Prime Minister assured Canadians that universality was not on the trade agenda and that no Canadian leader in his right mind would consider touching the sacred trust.

Well, the Prime Minister misled the Canadian people. The principle of universality has been gutted. The Government has undermined the very backbone of Canadian social policy.

The principle of universality lies at the heart of a compassionate state. It is the birthright of every Canadian to be provided with not just the basic needs of survival but with the foundation of a meaningful and dignified life. This is why Canada offers more than the catch as catch can programs of the United States, and this is why we fought so hard against the Government's plan to integrate the social programs of Canada with the United States.

But this is precisely what the Government has initiated. It has tried to make the job of the Minister for International Trade (Mr. Crosbie) that much easier on the eve of the subsidy negotiations with the United States. Universality in Canada is not as the Government seems to feel, an income supplement to the rich. It is a sacred contract between the legislators in this House and all the Canadian people. We have adopted universality as a national philosophy to ensure that all Canadians have equal access to a high standard of education and health care. It guarantees that provincial Governments, through federal transfer payments, undertake to provide a basic standard of living that encompasses a decent standard of food and shelter to those who are unable to provide adequately for themselves.

It is, in essence, a guarantee of equality of opportunity. It ensures all Canadians an equal playing field.

Let me quote from a speech that the Prime Minister himself made last October 15. At that time he said a special word should be said to senior citizens:

In the future Canada will be doing more not less for all of you. As long as I am Prime Minister of Canada, social benefits, especially those for the elderly, will be improved not diminished by our Government, which is committed to social justice and fairness to Canadians.

I should point out that this speech was made in Summerside, Prince Edward Island. Perhaps we should ask the senior citizens of Summerside what they now think of their Prime Minister.

That this Government has seized this moment to end the principle of universality when we are clearly on the cusp of an economic downturn indicates just how hollow the Government's promises really are.