

*Adjournment Debate*

least act as if it knew what it was doing and run this country appropriately.

**The Acting Speaker (Mr. Paproski):** If Hon. Members wish to ask the Hon. Member questions, he has four minutes left for tomorrow. He is such a popular Member, I know everyone here would want to ask him a question. Please come back tomorrow.

• (1800)

## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

### THE ECONOMY—LE CONSEIL DU PATRONAT DU QUÉBEC—THE DEFICIT—GOVERNMENT POSITION

**Mr. Gabriel Fontaine (Lévis):** Mr. Speaker, on February 14, 1986, during Oral Question Period, I asked the Minister of Finance (Mr. Wilson) whether he was going to give us a balanced Budget, a Budget that would try and reduce the deficit. We know that the current cumulative deficit totals \$230 billion, a deficit accumulated by the Liberals as a result of their social policies.

This deficit has definitely discouraged investment by our business people, and I am talking about both small businesses and large corporations. The deficit also puts us in an untenable situation in the long term. A country is a little like a family or a business. It cannot always afford deficit financing, something our predecessors have never understood.

However, Mr. Speaker, a deficit of this size, a deficit of \$230 billion, is a drain on the savings of Canadians and puts upward pressure on interest rates. Interest rates have increased so much in recent years because of the previous Government's enormous deficit.

To visualize what a deficit of \$230 billion means, suppose we divide it by the population of Canada, which is 25 million, which gives us a deficit of \$9,200 for every Canadian man and woman, including Canadians less than a year old and those who are nearly 100. That is what a deficit of \$230 billion means.

The message given by the Minister of Finance was very clear: in 1984-85, we had a deficit of \$38 billion, after last Liberal Budget. Last year, we announced a deficit of \$33.8 billion and we remained within this estimate. It was the first time in twenty years that a Minister of Finance managed to meet his own estimates. The present Leader of the Opposition (Mr. Turner) did not, nor did any of the other former Minis-

ters of the Liberal Government. This year, we announced a deficit of \$29.8 billion, and by 1990, we expect to have reduced the deficit to between \$11 billion and zero.

I would like to quote a national accounting firm, Price Waterhouse, on the deficit we are going to reduce this year. Now this company can certainly not be accused of any political involvement, and in its tax bulletin published under the heading "Attacking the Deficit", it says: "The Government provides 70 per cent of the ammunition and taxpayers 30 per cent." This according to Price Waterhouse, a national auditing, accounting and consulting firm.

Over the last eighteen months we have demonstrated the strength of our first Budget. Unemployment has dropped from 11.7 per cent to 9.8 per cent. Our first Budget gave us 580,000 new jobs, and 156,000 of these were in Quebec. We created 9,750 jobs per month in Quebec. The Liberals created 475. When we brought down our first Budget, the Leader of the Opposition said contemptuously that the Budget would lose us between 200,000 and 300,000 jobs. We created 560,000. The Leader of the Opposition was out by 700,000 quite a difference!

And besides that, Mr. Speaker, we have set an example. Our Prime Minister (Mr. Mulroney) did what the Leader of the Opposition refused to do, and took a \$20,900 cut in salary. Our Ministers and our Members have accepted cut-backs of \$10,000 and \$1,000 respectively, and we have introduced incentives for small- and medium-sized businesses.

Contrary to what has been said, we lightened the tax burden of small- and medium-sized businesses and we removed the 12.5 per cent dividend tax imposed in 1981 by Mr. MacEachen, a fact which my colleague did not mention in previous speeches.

In conclusion, Mr. Speaker, the deficit will reduce the cost of money, and that is something the Liberals did not dare explain. Indeed, Mr. Speaker, Canadian men and women will pay \$2,000 less on a typical \$50,000 residential mortgage, and our businessmen will pay less in interest.

That is the kind of effort we have made to control the deficit and boost the economy. I commend the Minister of Finance (Mr. Wilson) for his Budget aimed at restoring financial stability.

• (1805)

[*English*]

**Mr. Chuck Cook (Parliamentary Secretary to Secretary of State for External Affairs):** Mr. Speaker, I find myself in rather a quandary. After a brilliant statement of that nature, I am not sure whether it requires any response whatsoever. However, perhaps a few points should be re-emphasized.

The Canadian economy performed substantially better in 1985 than most observers anticipated with real GNP growth of 4.5 per cent. The unemployment rate declined to 9.8 per cent