

The Budget—Mr. Kaplan

have been made toward child care and we are committed to child care.

There are many dairy farmers in my riding and I am in daily contact with them as well. Several of them spoke to me over the weekend and I know that they have concerns about supply management. However, I am sure that if they take an honest look at it, they will realize that the Government does support supply management.

As far as the situation with the milk in British Columbia, I understand that the Department of Agriculture is looking into it to see that it does not continue. We will have to ask the Minister that particular question.

Mr. Lee: Mr. Speaker, I want to congratulate the Hon. Member for his speech also. I can appreciate his commitment and the commitment of many Hon. Members on both sides of the House to the agricultural sector of the economy. I would like to raise an issue involving the economy in general.

Since the Budget, questions have been raised and discussions have been commenced on general economic factors now present in the economy with the backdrop of increasing interest rates which has now been going on for several months and which, if not actual Government policy, is certainly something to which the Government acquiesces. We see in the Budget a significant increase in the tax take, cash taken out of the economy, involving several billions of dollars. At the same time, there is a drastic reduction of several billion dollars interspersed regionally across Canada. An example of this is the effect on Summerside, Prince Edward Island, of the closing of the military base.

These three significant economic factors are all occurring at the same time. As well, there will be an anticipated cyclical downturn in the economy. I wonder what steps, if any, the Government is now taking that would recognize the multiplier effect of these Government initiatives at the same time as there is an anticipated cyclical downturn. What steps are being taken to protect Canada from an inadvertent or negligent backslide into recession?

Mr. Monteith: Mr. Speaker, I thank the Hon. Member for his comments on my maiden speech and for his question. Back in the early 1980s when there was a different Government of the day, no action was taken and there were criminally high interest rates. We as a

Government have taken action that will see interest rates steadied. We will see that there will be no recession in Canada because of the action this Conservative Government has taken under the leadership of the Prime Minister (Mr. Mulroney). The Budget of the Minister of Finance will prove the Opposition wrong. It will prove that we are on the right track to securing the future of Canada.

Mrs. Sparrow: I, too, want to congratulate the Hon. Member for Elgin (Mr. Monteith) on his maiden speech. As he has mentioned, this Budget affects each and every one of us across Canada, but it is a fair Budget. We did not get into this mess ourselves. It started some 20 or 25 years ago. In fact, when the then Prime Minister, Mr. Trudeau, came to power, there was a debt of \$18 billion. When he left, the debt was \$170 billion. In fact, in the last four years, this Government has brought the deficit down each and every year. We have cut spending, and that is the first time since 1946 that any Government has cut spending three years in a row.

Sure, last year it cost us 31 cents on every dollar to service the debt, and this year it will cost 35 cents. If we did nothing but increase our spending by 24 per cent, as did the Government on the other side of the House, just where would we be?

• (1620)

Mr. Monteith: Mr. Speaker, interest rates would sky rocket. I would hate to think where we would be; I think interest rates would be higher than they were before. Unemployment would increase. We would never reduce the debt. Our children and our grandchildren would not have a chance. They would have more than \$12,000 over their heads when they were born; it would be \$120,000 the minute they were born.

This Government has taken the steps that we need. Never before has this happened in Canada, and the Opposition will not admit it.

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the 20 minutes that I have I want to advance the case being made by the Official Opposition. First, this is a Budget which is wrong for the time considering the way the economy is performing now and the signs ahead. Second, right or wrong, it is a Budget that is unfair and out of tune with the responsibilities that the federal Government has in our Canadian society.