

financed through Canada savings bonds. As well, I am sure he knows that there is a limit of \$25,000 on individual investments in Canada savings bonds. When we are talking about the deficit, we are talking about a system in which the savings of people, which would otherwise be lost to our society, are recycled through government into expenditures to keep the economy going. In order to make up for that fact, in Canada we have a personal savings rate which is at least 2.5 times that of the U.S. It is a very high savings rate which must be offset by governments in Canada. Without that, the unemployment rate would be significantly higher. As a result, four or five years in the future our deficit would be greater. My analysis and that of my Party about why the economic statement is moving in the wrong direction is not that it tries to reduce the deficit now, but that the actions being taken will lead to a much higher deficit in the future. Justice happened in Britain and the Netherlands when they followed the policy of tax increases and expenditure reductions to deal with their deficits.

Mr. Thacker: Mr. Speaker, with respect to the latter comments made by the Hon. Member, I would like to spend some time with him because they could very well be true. Four years in the future we could be in a worse situation. However, we know that the prior system—in which government borrowings got larger and larger and the government tried to redistribute the savings of Canadians—was not working. The deficit was growing larger and the amount of tax revenue required to service that debt was growing larger.

The real key is jobs. If we can change the climate in the country and improve investment so that rather than buying a Canada savings bond people will buy stocks in a company or invest money in a plant which is manufacturing a product that can be exported, Canadians will then have real jobs rather than temporary jobs. It is a great experiment. There is no guarantee that it will work. But if we can create the proper business climate to obtain investment, plants and jobs, I believe it will work.

With respect to universality, the Hon. Member indicated that he believes universality helps the poor. I do not know how that can be when statistics show that the welfare system benefits people who are richer and the deductions help them rather than the poor. I think the real objection is to the means test, which was brought in at a time when the tax system was not as sophisticated. I believe that it is possible to use the income tax system to redistribute money to people who are genuinely poor, rather than using the means test. I do not want to see my constituents, relatives or friends being required to sit before a bureaucrat to list their assets and debts and to explain how they live. None of us is interested in that. When we speak of getting away from universality, we are not talking about a debilitating and humiliating means test. However, we can use those creative measures which have developed since the 1930s, for example, the income tax system. I am sure, if we were to put our minds together, we could come up with something which would genuinely redistribute wealth to the poor and at the same time provide flexibility and creativity so that the

The Address—Mr. Thacker

people who want to take a risk will be adequately compensated.

Mr. Foster: Mr. Speaker, the Hon. Member went through a long description of the economic plans of the Government to have massive consultations between the Prime Minister (Mr. Mulroney) and the Premiers, and to have an economic summit. It sounded as though the Government would not be bringing down a budget until late next spring. In the meantime, important commitments were made in the election campaign, especially with respect to the agricultural sector which is facing bankruptcies increasing from something like 400 this year to possibly 1,000 or 1,700 next year. The Conservative Party indicated in the election campaign that it was going to decrease interest rates to current day interest rates; that it was going to establish review boards for young farmers who are facing bankruptcy; and that there would be other initiatives, like those in the United States, where farmers have a "set aside" provision.

● (1240)

Does the Hon. Member really think it is fair to those producers of agriculture that they must wait through this fall, through this winter and perhaps until a budget in the spring until some action is taken? It seems to me there are urgent matters out there, yet there is no legislation on the Order Paper to deal with them. There are commitments made. It is not up to the Opposition to propose legislation; it is up to the Government. I believe the Government should bring in this legislation. It campaigned, on the issue of lowering interest rates, to have review committees. It seems to me that if we move expeditiously now, this legislation could be in place before Christmas to the benefit of the agricultural community which is facing such a difficult time. I would just like to ask the Hon. Member, why does the Government not do that instead of leaving everything until a budget next April or May, or whenever?

Mr. Thacker: Mr. Speaker, I want to assure my hon. friend from Algoma that the Government has moved, is moving, and will continue to move. It will do many things between now and the budget process in April. For example, the very first move of the Minister of Agriculture (Mr. Wise) was to go to Regina and commit the Government to \$60 million in order to help the livestock producers who are in trouble because of the drought on the Prairies. That was fast action.

Mr. Axworthy: That was our program, though.

Mr. Foster: That was already approved by the Treasury Board.

Mr. Thacker: But if the Grits had been in power, we cannot be sure it would have happened, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order. I am sorry but the period for questions and answers has been terminated. Before I recognize the next speaker, there is a question of