

They may be the new poor then, when people will perhaps be earning \$200,000 or \$300,000 a year.

So I say to the Hon. Member for Trois-Rivières: What will you do with the money you save on social benefits that you tax back and with the money that you take from the provinces?

Mr. Vincent: Mr. Speaker, I want to point out that I did not denigrate my colleague from Laurier—Sainte-Marie (Mr. Malépart). I only said I did not agree with him, and I still do not agree with him. As to saying he is a saint man, we can argue about that some other time!

Mr. Speaker, the Hon. Member opposite said we should look at today's problems, not yesterday's.

How pleased I am to hear that, Mr. Speaker, that is what I said for twenty minutes. Our problem right now is the \$320 billion national debt. I have been saying that for twenty minutes.

My colleague opposite just caught on. Am I ever glad! That is the problem right now, the problem we describe as a \$320 billion national debt, 35 cents of every dollar to be paid in interests.

Mr. Speaker, that is the problem. That much he understands, but the rest of it is still a mystery to him, so I will go over it again.

I earn an income other than the OAS pension, I am 66 years old, my net annual income amounts to \$55,000. So I say, and the people of Québec whom I met and Canadians generally say: Sure enough, we can tax back some of his OAS benefits and he will still be doing all right.

Mr. Speaker, I did say some of his pension benefits, because between \$55,000 and \$77,000 the amount I get will gradually decrease.

What happens when my net annual income exceeds \$77,000 is that I get my pension cheque every month, but at the end of the year I simply pay back to the federal Government an amount equivalent to the value of those twelve cheques. A net income of more than \$77,000 a year! I have always said and I repeat that we are speaking of "net income", Mr. Speaker.

Supply

An Hon. Member: We need that money.

Mr. Vincent: We need it because if we go on as the Opposition proposes, we soon will not even have enough money to help those who make only \$5,000 a year. That is the thrust of the system. We have to take the money where it is and—

An Hon. Member: From the rich.

Mr. Vincent: —from the rich, I hope, and not from the poor! To take the money and give it to those 65 years old who do not have an income of \$50,000!

That is the purpose of the Budget and that is what has to be done today, as my Opposition friend said, because of the debt they left us, Mr. Speaker.

[*English*]

Mr. Hovdebo: Mr. Speaker, the Hon. Member has made a number of passionate statements which suggest that the whole direction of the Budget has been to reduce the deficit and the debt. We all know that this particular Budget increased the deficit a little from what it was last year. It increases the national debt by \$30 billion.

We have been told by Statistics Canada that a 1 per cent reduction in the interest rate would reduce the deficit by \$1.5 billion. A 1 per cent reduction in unemployment, that is, a 1 per cent increase in the number of people who work, would bring \$2.2 billion into the coffers. Yet the Budget and the policy of the Government on interest rates and on cut-backs will increase interest rates and unemployment. The Government admits that the Budget will increase the unemployment rate.

Why has the Government not taken advantage of those natural ways of reducing the deficit, and consequently the national debt, rather than leaving interest rates high and increasing the unemployment rate? In that manner, there could be more dollars paid toward the deficit and the national debt.

[*Translation*]

Mr. Vincent: Mr. Speaker, let me thank my colleague for his question, since we have in fact dealt with that aspect today. That is a very important point. The Canadian people wants to know.

We have to look at what happened in 1981–82 when there was a recession. The Liberal Government of the day said: Let inflation go up and let's not touch to the interest rates for inflation will inevitably go down again.