

The Budget—Mr. MacLaren

cannot provide for themselves. But our friends opposite tell us, I suppose they tell us—this must be what they are saying—“All right, fine. During a period of economic recession we see that there is a need for a higher deficit.” The Hon. Member for St. John’s West says, “Yes, a high deficit is fine for this year. If I were Finance Minister, I would have done the very same thing”. At the same time, however, his colleagues, including his Leader, go about the country saying that they would spend more, that they would spend more on defence, more on transfer payments to the Provinces for medicare, for post-secondary education and for farm credit. One could continue.

● (1710)

Each of these proposed areas of increased spending is no doubt needy and could be beneficial to Canada in times of greater economic recovery. But let us be clear that such spending would result in a yet greater federal Government deficit. Other policies of our friends in the Opposition would increase the deficit even further. While they are calling for greater spending, they call equally for tax cuts. When they are spending more, they would have even less revenue and the deficit would grow even more. But our friends opposite say, “Wait a minute. That is not what we mean. We are going to cut out other things. We are going to increase defence spending, transfer payments to the Provinces, and we are going to increase this or that, but we are going to cut other things”. What things are they going to cut? Presumably they are not talking about a little belt tightening or a little rejigging of this or that. They must be talking about very substantial numbers. Yet the Hon. Member for Mississauga South (Mr. Blenkarn) tells us he would abolish, if he were in office, the press clipping service provided for Ministers and for the House of Commons. That is what I understood him to say. What does he think that is worth? A few thousand dollars? And he complains about the fact that the deficit is \$31.5 billion this year. But his solution is to cut a little bit of press clippings. Or he tells us about the CBC. Apparently he does not like the CBC, so he will cut the CBC. What is he talking about? The CBC budget, if my memory serves me correctly, is somewhere between \$600 million and \$700 million.

Mr. Schellenberger: It is closer to \$900 million.

Mr. MacLaren: What does the Hon. Member want to do? Does he want to halve the CBC budget and save, as it were, some \$350 million or \$400 million? Is that what the Hon. Member is proposing? Does he want to undermine one of the principal agencies in our country that gives Canadians a sense of their own identity, practices, traditions and history? Is that what the Hon. Member is advocating? What else does he want to cut? Does he want to cut support for our exports? Does he want to cut help for the neediest of the developing countries? Does he want to eliminate subsidies for rail and certain air services? What are these cuts that he wants? Does he want to cut incentives for petroleum exploration? One could go on, but the fact is that any such measures as the Opposition advocates from one side of its mouth, that of major reductions in our

deficit, would bring very real hardship to the Canadian people. Let us make no mistake about that. No wonder the Hon. Member for St. John’s West speaks about being “mean and nasty”. He would have to be mean and nasty. Any Finance Minister would have to be mean and nasty to eliminate pensions, the UIC and transfer payments to the provinces if he really wanted to bring down the federal Government’s deficit rapidly—and in a wholly socially irresponsible way.

That is unnecessary, Mr. Speaker. We have shown that in the April Budget and again in this Budget. There is no need for the vaunted meanness and nastiness which the Hon. Member for St. John’s West advocates. What we need is a balanced policy of economic stimulation on the one hand and social responsibility on the other. Such broad approach, an equitable and balanced approach, was elaborated in last April’s Budget. It is again here in this past week’s Budget. The deficit for 1983-84 reflects that dual approach. The deficit is at the level we forecast last April. For 1984-85, as our economic recovery progresses and real growth is restored, we are forecasting a reduction of some \$2 billion, a reduction in dollar terms of some 7 per cent in one year. As a percentage of the Gross National Product, it is a yet higher reduction. We are doing that. We set out our commitment. We are doing that in terms of the commitment we set out last April in the paper on the deficit which accompanied that Budget. We are going to strive to ensure that we keep on track, as we are now, that there is no future crowding out for private sector borrowing in our capital markets by government borrowing. At the same time, and I can assure you of that, Mr. Speaker, this Government will maintain support for those Canadians who cannot adequately provide for themselves.

Let me turn to the second point to which the Opposition motion refers which concerns high interest rates. We have had high interest rates in Canada, and so has every industrialized country, some higher than others. But every industrialized country, indeed every country in the world, has passed through a period of very high interest rates. What has happened in Canada? High interest rates have dropped. They have dropped substantially. Mortgage rates are down. Bank lending rates are down. The Bank of Canada rate, the fundamental rate in the country, is down sharply.

Mr. Blenkarn: Oh? Over a year ago the Bank of Canada rate was 9.43 per cent. It is 10.4 per cent today. You do not know enough to understand.

Mr. MacLaren: Not 14 months ago, Mr. Speaker,—

Mr. Blenkarn: A year ago.

Mr. MacLaren:—interest rates in Canada were at high levels. Today we see them sharply reduced, to the benefit of consumers, to the benefit of investors, to the benefit of house owners. Through government policies and through the international decline in interest rates, we foresee further limits in the consumer price index. We have set out our forecasts with regard to interest rates in Canada. They are set forth in the fiscal plan. We see those rates gradually dropping over the