

obvious the four previous Budgets of this Government have failed to control our finances. We have seen our debt increase. We have seen taxes increase. We have seen services increase. When a president of a private company or business has such a dismal record, he or she will resign. In my opinion the Minister of Finance (Mr. Wilson) should resign because he has had four years of failure, failing to manage the public interest and the public purse.

In this Budget we have cut-backs in transfer payments, resulting in cut-backs to education, cut-backs to important services provided by the provinces; cut-backs in university education, health programs and welfare programs. All of these will be cut back. There will be cut-backs in agricultural programs affecting farmers in my constituency and cut-backs to VIA Rail. Canada will no longer be able to take pride in a passenger service system from coast to coast. There will be cut-backs for the Canadian Broadcasting Corporation that will undermine one of the important institutions that has kept this country together. Then there are to be cut-backs in regional development right across the board, and in services that are important to Canadians and which keep this country together. These are the very things that the Government is attacking.

We see an increase in taxes. When all the increases are fully into effect, by next year, Canadians will be paying some extra \$700 in taxes for an average family of four. Once the regressive sales tax is fully implemented, another \$1,000 will be taken out of the pockets of the average Canadian family. I suggest that this is the ineptness of the Minister of Finance in managing our economy.

The Minister justifies everything by claiming that we must bring the deficit under control. In that I have no disagreement. Indeed, we should control our deficit. There is nothing socialistic about taking out approximately 2.5 per cent to 3 per cent of our Gross National Product and putting it into the pockets of upper income Canadians. That is what happens when we pay \$30-some-billion a year on interest. The interest payment is around 6 per cent of our Gross National Product. Around 37 per cent to 40 per cent of that goes to banks and to the insurance companies that control most of the debt. Around 2.5 per cent to 3 per cent of our Gross National Product goes into the pockets of the banks and

Borrowing Authority

the large insurance companies. These are the upper income Canadians.

There is a shift of wealth into the pockets of upper Canadian income earners through our debt. There is nothing socialistic about that. I am certainly not prepared to support that. In analysing the debt and the deficit, let us first look and determine how this debt occurred in the first place. When I hear the Liberals talking about the deficit, there are crocodile tears. Surely they must take responsibility. It was during the Trudeau years in the 1970s when the Leader of the Opposition (Mr. Turner) was Minister of Finance that the seeds were sown resulting in the deficits we see today. Much of that did not come about necessarily through direct expenditures but what the Auditor General has termed indirect expenditures. Those tax cuts, tax loopholes, that never got on the books could never be seen as expenditures, but they were real expenditures creating a loss of revenue. This loss of revenue caused the type of deficits that we have.

The Tories have been telling us we are living beyond our means, that is why we have the deficit and we have got to cut back. By living beyond our means, what they really mean is that our social programs are just a little too rich. That is in essence what the Tories have been saying is the cause of our deficit. If we look at the other OECD countries, the other western industrialized countries, in terms of what they spend on social programs as a percentage of their gross domestic product as compared to what we in Canada spend on our gross domestic product, Canadians are not living beyond their means.

When we look at the figures of what gets spent on housing, unemployment insurance, health care, pensions, on these important social programs, what do we find? In 1983 France spent 26 per cent of its gross domestic product on social programs. Italy spent 19.4 per cent. West Germany spent 17.1 per cent, Britain, 13.7 per cent, Canada 12.5 per cent and the United States, 12.1 per cent.

Of the western industrialized countries, we were the second lowest in terms of what we spent on social programs. We are not living beyond our means. In fact, we have not been collecting taxes or collecting revenues. That is why we have the deficit we have today.

Some Hon. Members: Hear, hear!