

Borrowing Authority Act

been limited to just over 2 per cent. That is the lowest increase in 18 years. Only the defence and foreign aid Department's spending will be permitted to increase beyond that limit. There was also a temporary deficit-reduction surtax imposed on higher income individuals and larger corporations. A two-year tax has been imposed on the capital of large banks and trust companies. It amazed me, when the Budget was brought down, that the NDP did not applaud that measure. Also, excise taxes were imposed on alcohol, tobacco, gasoline, candy and dog food.

The modified indexation plan on Old Age Security and family allowance payments provide for indexation only when inflation exceeds 3 per cent. I must hasten to add, to ensure that I balance the whole picture, that the GIS payments will be fully indexed. Personal exemptions and tax brackets are indexed only to reflect annual increases in the Consumer Price Index which are greater than 3 per cent.

Actions such as these will achieve a reduction in this year's deficit of \$4.4 billion. They will also ensure that the annual deficit and the net public debt will be \$20 billion and \$75 billion, respectively, lower than they would otherwise have been.

All this is very tough medicine, but it is desperately needed to cure a very sick patient. Therefore, through its first Budget, the Government has endeavoured to do what it was mandated to do—to create the climate in which all Canadians can participate to get the country back on its feet; walking, and hopefully someday running, in the right direction. There are already several indications that this is working.

● (1740)

Last fall the Opposition derided the Economic Statement of the Minister of Finance, claiming that it would cost Canadians thousands of jobs. What is the answer to that? Since September 4, the economy has generated more than 270,000 jobs. That is since this Government took office. While the unemployment rate is still far too high, it has dropped from 11.6 per cent to 10.5 per cent. At least it is beginning to move in the right direction. During this same time period, interest rates have also been on a steady decline, making it more viable for Canadians to generate the economy through the purchase of homes, the borrowing of business start-up money, and so on. Last year the inflation rate fell to 4.4 per cent, which is the lowest since 1971, and it has been running at an even lower rate during these past few months. Recent figures indicate that the Canadian economy is now growing faster than that of the United States.

In conclusion, Mr. Speaker, may I say that if this trend continues, perhaps there will be a less frequent need for Members of this House to stand up and speak in support of legislation such as the Bill we have before us today. Nevertheless, I do support Bill C-51 and ask that it receive swift passage because it is vital that this Government have the fiscal resources to function properly. However, let us remember that this legislation is a legacy of a sorry past, a past which this Government and this country simply cannot afford to repeat.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, as the Member for the riding of Argenteuil, I am of course in complete agreement with what the Hon. Member just said. You know it is a funny thing, but when we hear people talking, and it is quite normal, when we go down the street in our ridings, everybody wants to reduce the deficit but nobody wants to pay. It is like Petula Clark's song: "Everybody wants to go to heaven, but nobody wants to die."

Mr. Speaker, when I listen to the Hon. Member, it reminded me of one of my constituents who on February 5, 1982, wrote an article about something that upset him, and he was selling the article for \$1. I think it is rather interesting and it fits in so well with the Hon. Member's argument that I would like to include what he wrote in 1982 as part of my comments, if I may. Today, he must be appalled to see that nothing has been done, that in 1985 the situation is even worse.

He wrote: "After the Interprovincial Conference of First Ministers who pointed out that the national debt was \$95 billion, plus \$70 billion for the provinces, making a grand total of \$165 billion." At a rate of 11 per cent, he figured that the interest would be \$18 billion per year or \$1.5 billion per month. He said: "Supposing our debt of \$165 billion is paid back in monthly instalments over a period of ten years or 120 months. That would mean monthly payments of \$1.75 billion", so that according to him: "Each month, Canada would have to pay at least \$2.75 billion." Two billion seven hundred million dollars a month. That is a lot of money. He said: "Where are you going to get that kind of money? Only on the international markets, on Wall Street in New York!"

Mr. Speaker, one of my constituents wrote that in 1982. Today I suppose he would say exactly the same thing, with even more emphasis. He would certainly be pleased, and I intended to call him after the Budget was tabled. He must be very pleased, because he said at the end of his article: "The result of manipulations by those clowns in Ottawa". I may recall that the Conservative Party was not in power in 1982.

In concluding, Mr. Speaker, I would like to say that our Government has a duty and a responsibility to put this country back on the road to prosperity, otherwise the social programs which our Liberal friends like to think they are the only ones to defend . . . I hope Hon. Members opposite do not think that I do not defend the elderly in my riding. I hope they do not think they are the only ones on the other side doing that in their ridings, because we do exactly the same thing in ours. Yes, we are giving answers. Last Friday, I met with senior citizens in my riding, with groups that were pleased with the Budget brought down by the Minister of Finance. Yes, it is funny, we do not seem to be meeting the same people. We are on the same planet, but it all depends what you mean and what you say.

Mr. Rossi: Bring them here!