

*Borrowing Authority*

be constructive in looking at some of these issues and where cuts are made.

Let us consider the question of deficit reduction. The Minister of Finance said in his Budget Speech, as reported at page 3575 of *Hansard*:

When we took office, government spending on all programs was growing by almost 14 per cent a year—

An average of 15.1 per cent from 1980 to 1984. He went to say:

Since then, program spending has grown on average by only 2.8 per cent a year, well below the rate of inflation. Spending on government programs is being reduced in real terms and relative to the economy. About 63 per cent of the decline in the deficit relative to the size of the economy will have been achieved by reductions in spending.

The fact that 63 per cent of the reduction in the deficit is through cuts in spending shows the way in which we are attempting to reduce the deficit. Through that method we have achieved 63 per cent of the reduction in the deficit to date.

**Mr. Manly:** Mr. Speaker, the Hon. Member boasted that the Government's policy has been able to reduce the unemployment rate some 2 per cent. The Hon. Member obviously comes from southern Ontario. What advice would he give, not only to me and opposition Members for our constituents in British Columbia, but to his Conservative colleagues from British Columbia where the unemployment rate in January this year was 15 per cent? What advice would he give his Conservative colleagues from Newfoundland when the Forget Commission report said that if the people of Newfoundland had the same participation in the labour rate as they do in Ontario there would be 38 per cent unemployment in Newfoundland? What advice would he give his Tory colleagues in seven provinces across Canada where the unemployment rate today is higher than it was at the height of the recession in 1981-82? What advice would he give his colleagues from other parts of Canada when they realize that of the 137,000 jobs that were created between January, 1986 and January, 1987, all but 5,000 of them were in Ontario? Surely the Hon. Member must realize that the growing disparity among regions should receive government attention in its budgetary process and that the borrowing authority should be directed toward more job-creation and eliminating this growing disparity amongst regions? Will he address that question?

**Mr. Reimer:** Mr. Speaker, there is no question that the benefits from the figures I have been using are being enjoyed more in southern Ontario than anywhere else in Canada. However, that does not make the figures inaccurate.

**Mr. Manly:** It makes them irrelevant.

**Mr. Reimer:** It does not make them irrelevant either. They simply point out the situation on a national basis. There is no question that there are regions in Canada in great difficulty. The Minister of Regional Industrial Expansion (Mr. Côté) and the Government are dealing with that through measures such as those to assist people in the steel industry in Cape Breton.

We are working on this serious problem, but that does not make any of the figures I have used invalid.

I welcome the Hon. Member's comments because it appears he is beginning to support our trade talks with the United States. British Columbians tell me that it is essential to have this trading agreement with the United States so that rather than trade wars and countervailing duties there is a system whereby we can secure and enhance our present trade. I welcome the Member onboard in supporting these trade talks with the United States so that all regions can begin to enjoy the benefits that southern Ontario is enjoying today.

**Mr. Ravis:** Mr. Speaker, I want to compliment my colleague because I believe the figures he has cited accurately represent the story as it is. The most frequent message I heard prior to the 1984 election was to come to Ottawa to deal with the horrendous spending and borrowing and bring about some semblance of economic recovery in this country. I heard that message many times and I am surprised that Liberal Members are not prepared to recognize that the situation is beginning to improve.

I say to the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) that it is disappointing in some parts of the country, but surely he must recognize that a much stronger southern Ontario today is helping all Canadians by sharing the costs.

How do the constituents of my colleague, the Hon. Member for Kitchener (Mr. Reimer), view what is happening today? For instance, there have been some increases in taxes. An economist from the University of Saskatchewan told me that he would like governments to begin asking people to pay the increase in taxes today rather than in the future, and pay for a deficit in the same year. How do people from Kitchener feel about sharing the burden of turning the economy of the country around? The Government must shoulder some of the load, but surely taxpayers must shoulder some of the load as well.

**Mr. Reimer:** Mr. Speaker, I have constituents in different situations who give different responses. Some constituents are encouraged by our attack on the deficit. Other constituents are pleased with our control on spending in general terms. We have attempted to implement these measures by cutting government spending on some programs. We have improved other programs to make them more specific, such as job-training through the Canadian Jobs Strategy. Some of my constituents are praising the success of some aspects of those changes.

However, we must also be honest. I indicated that 63 per cent of the reduction in the deficit has been achieved by controlled spending. That means that 37 per cent has been achieved by increased taxes. No one wants to increase taxes. There were increased taxes in the last Budget. None of us want that either. I think the Minister of Finance at least chose the few areas which are probably the least destructive of all increases in taxes in general. So I commend the Minister of