

will be between 9 and 11 per cent, which represents a 2 per cent increase. I therefore imagine that we must expect interest rates to remain at the present level and I wonder how the Minister of Finance will be able to reach his objective of bringing the deficit down under \$30 billion.

● (1620)

Mr. Speaker, another absurdity concerns the Federal Business Development Bank. Members of all three parties spent several evenings at the Committee on Finance and Economic Affairs examining the whole situation of the Federal Business Development Bank to determine whether to recommend that the Government change the mandate of the Bank or do something else. Of course, all Canadians agree that the mandate of this Crown corporation, which was established a few years ago, should be adjusted. The Minister responsible for Small Businesses said before the Committee that the Nielsen Task Force on Program Review was also considering this matter and had asked the Committee not to publish its report immediately. Mr. Speaker, as for me, on April 23, as shown on page 4023 of *Hansard*, I asked when the Minister would announce whether there would be any change in the Federal Business Development Bank. And the Hon. Minister of State (Small Businesses) (Mr. Bissonnette) is telling me that this would have happened around late June or early July 1985.

Not later than yesterday, indeed, Mr. Speaker, a Government Member asked him whether there were new programs to help people who want to start up small businesses but lack financing facilities. And the Minister said that in conjunction with the Federal Development Bank and the Department of Regional Industrial Expansion, they were looking at the various programs.

So we have the Nielsen Report proposing certain changes, and Ministers announcing new programs. What then is the direction? Are they going to change it or not? Are they going to refer once more the whole issue to the Committee on Finance and Economic Matters? As you see, Mr. Speaker, there is no direction, there are no contents, there is no substance. It is a mere public relations exercise. They bring forth a 21-volume report and say: "All right, we looked into the matter, we know where we are going". But no action is taken.

Mr. Speaker, I would like to read into the record part of what Alain Dubuc had to say immediately after the Budget in *La Presse*, and I quote:

Workers who obtained a 4 per cent wage increase this year should have enough to maintain their purchasing power. But taxes, and especially the tax increases brought in by Michael Wilson, will take back three quarters of that. As a result, they will be 3 per cent poorer in 1986!

A middle-income family in the \$20,000 to \$40,000 a year bracket, will pay \$500 to \$650 in additional federal taxes in 1986. That is a very significant amount, and indeed a major tax grab.

Going through the Budget, experts did not see how horrendous the increase was, because it is chopped down in a number of small increases that individually are marginal. For instance,

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that famous 3 per cent surtax will only cost \$54 to a person earning \$20,000 a year. It is just about meaningless.

However, the total tax increase is high because taxpayers get it in a double whammy—last week's Budget, but also last May's Budget, whose major measures only hit the taxpayers in 1986. Altogether, consumers will pay out this year five new tax increases that will bring Ottawa \$3.6 billion.

[*English*]

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I would like to take this opportunity to participate in the debate on the motion of the New Democratic Party with respect to Bill C-99, a Bill which will allow the Government to borrow \$22 billion. As I listened to my colleague, the Hon. Member for Windsor-Walkerville (Mr. McCurdy), give some of the unemployment figures for southern Ontario, I thought, in a sense, how lucky those towns were as compared to our situation in British Columbia. The figures are still too high, there should in fact be full employment in southern Ontario, but those figures are double in British Columbia and sometimes triple.

My main criticism of the borrowing Bill, and of the Budget before it, is that my Province of British Columbia does not benefit enough from government economic policies. We are in real trouble in British Columbia. We have not recovered from the last recession. Because we have a resource economy we are still subject to these booms and busts which in the future, I hope, with good economic management, we can learn to level out as we become perhaps less dependent on raw resources and more into technology, education, and into businesses reaching into the Pacific Rim. The 1990s should belong to British Columbia. It does not matter from which political Party one comes, I am sure we would all like to make the 1990s belong to British Columbia. We need some policies to change the Government's view. We also need some policies to change the Government's view. We also need some policies to do that in the Province of British Columbia where we probably have seen the worst economic management in the country. What did Premier Bennett of the Sacred Government do when the economy started to go down? He applied the brakes of restraint. In applying them he put the economy into a nose-dive. We are also seeing bad economic policies there. They are what I call cruel policies.

Let me give Hon. Members an example of this cruelty. We have all heard of Expo 86. No matter from what political Party we come, provincially or federally, we all want it to be a success. That does not mean that we have to evict poor people from their residences in the east end of Vancouver. These are people who have lived in cheap hotel residences, including the Patricia Hotel, which has a bad record on this and other matters. Why do these older people have to face this cruel situation? Why do they have to be thrown out of their hotels in order to make room for people who are coming to visit Expo 86? I do not think that is right. I do not think Canadians believe it is right.