

*Government Orders*

spending has been cut from \$500 million to \$50 million, and the budget does nothing to redress that.

It cuts investment in the education of our young people. It cuts investment in science and technology that will secure a prosperous future for Canada and for future generations.

I would be remiss if I did not stand up and speak against this package of borrowing and all the changes in priorities that go with it that I think are entirely contrary to the kind of nation that Canadians have come to be proud of.

**Mr. Bill Attewell (Markham—Whitchurch—Stouffville):** Mr. Speaker, I would like to ask the member for Ottawa West whether she understands compound interest or not.

It is a fact that when we assumed government in 1984 that the national debt was approximately \$200 billion. While we have reduced the deficit every year, there still has been a deficit. While the books show that we have paid interest, we really have not paid it to the tune of the deficit each year.

The national debt is now—and I want this on the record—\$350 billion, the hon. member might think that this government is responsible for that. But that is not the case.

Compound interest over the last five and half years accounts for another \$120 billion. The total debt of the country which can be directly attributed to the Liberal government of 1984 and to the Liberals prior to that time—and they had something like 15 years of deficits—is \$320 billion which must be placed directly in their laps. We should take responsibility for \$30 billion, which is the difference between \$320 billion and \$350 billion. We will do that because we are working on that as well.

• (1750)

I want the record to show that this \$320 billion which is the albatross that is on the people of this country—our children and grandchildren—should be placed right over there.

**Mrs. Catterall:** Mr. Speaker, aside from the rather condescending manner in which the member started his comments, does he not think that after nearly six years in office it is time to start acting like a government and not an opposition party? Does he not think it is time to stop

blaming a party that has not been in office since 1984 for the financial mismanagement of his party over the last six years?

**Mr. Richardson:** The question is: Do you understand compound interest?

**Mrs. Catterall:** Of course I understand compound interest. Do not be so condescending!

I also understand that one pays off one's debts when one sells off billions of dollars worth of assets. One does not keep on paying more money into operations. One does not keep on adding to the costs of government.

**Mr. Attewell:** I do not believe you understand compound interest.

**The Acting Speaker (Mr. Paproski):** Order, please. One question at a time.

**Mr. Richardson:** We are waiting for the answer.

**The Acting Speaker (Mr. Paproski):** On a questions or comment the hon. Minister of State for Finance.

**Hon. Gilles Loisele (Minister of State (Finance)):** Mr. Speaker, the hon. member said that we had a deficit in the current account, apart from the debt which was building up, to pay for Old Age Security and the programs that the Liberals had put in place. We had to borrow \$16 billion. How can you pay a debt in that kind of situation? We have turned that around. Now we have a surplus of \$9 billion. That is a \$25 billion turnaround in our operation to start paying for the debt the Liberals left us.

**Mrs. Catterall:** Mr. Speaker, I cannot leave that on the record. The member has suggested that somehow Old Age Security is a draw on taxpayers. He knows very well that when the Old Age Security was introduced in the early 1950's it was a contributory plan. It remained as a contributory plan on the income tax form until the mid 1970's when that line was taken off the tax form.

The rate of tax was not reduced because the line came off the tax form. Canadian taxpayers have continued since 1952 to pay for Old Age Security. His is the government that is denying them the return on their investment.

**The Acting Speaker (Mr. Paproski):** Does the hon. member from Markham have a supplementary question?