

Borrowing Authority Act

Indeed, Mr. Speaker, neither of these two Liberal bigwigs should have taken part in their recent party leadership race. The Liberal party membership should have checked the records of their two aspiring leaders who had been unable to reach their own targets. The same team could not complete the 1978-79 Budget. However, the actual deficit was consistent with the estimated one.

On October 28, 1980, Mr. Allan MacEachen announced the Budget for 1980-81; estimated deficit: \$11.920 billions; actual deficit: \$13,529 billion, a difference of \$2.5 billion. On November 12, 1981, Mr. MacEachen brought down the 1981-82 budget with a projected deficit of \$13.34 billion. The actual deficit was \$14.752 billion. What do all these mistakes show about the competence or the honesty of the team which made up the Government of Canada at the time? On June 28, 1982, Mr. MacEachen announced the budget for 1982-83, with a projected deficit of \$19.5 billion. I would like you, Mr. Speaker, as well the Members opposite and all Canadian men and women to listen carefully. Mr. MacEachen had projected in his budget a deficit of \$19.5 billion, but 12 months later, he and his team ended up with a \$27.689 billion deficit.

An Hon. Member: Shame!

Mr. Hudon: It is all their fault!

Mr. Fontaine: It is shameful, Mr. Speaker! That was the team which led the destinies of Canada, and it made a mistake of \$10 billion. Those are the some people who now question our proposals to restore acceptable economic conditions in Canada. Mr. Speaker, these people will certainly be able to continue to sit in isolation on the side of the Opposition for many years.

Mr. Robichaud: Not for long!

Mr. Fontaine: On April 19, 1983, in the 1983-84 budget announced by Minister Lalonde, the projected deficit for a single year was \$31.3 billion; in fact, it amounted to \$32.423 billion. On February 15, 1984, Mr. Lalonde announced the 1984-85 budget, fortunately the last budget of the Liberal Government, which was made up of spendthrifts, image salesmen, socialists, unlimited borrowers, out-of-breath legislators and idealists, which budget projected a deficit of \$29.6 billion; in fact, the deficit, which was supposed to buy the next elections, amounted to \$38.246 billion, Mr. Speaker. The Canadians had enough evidence of this mismanagement. They asked us to reduce the deficit, they asked us to bring back a healthy economy, they sent us here, 211 strong, to put some order in the nation's house.

In the last two years, we have gradually got rid of the previous administration. The Canadian people should understand that, when we give a figure for our deficit in the budget, we are going to deliver and keep to the amount forecast. Our efforts to limit our deficit and promote economic renewal are

reflected by a new distribution of the taxation burden. We thought it very important and significant to provide at least partial exemption of the capital gains tax to encourage Canadian businessmen to get started and to expand.

In Wednesday's Budget we repealed a 12.5 per cent tax on dividends earned from small businesses. That tax had been put introduced by Minister MacEachen. It was in the process of strangling our business developers, because it prevented them from accumulating profits, the only incentive in our human society.

Our inroads to reduce the deficit, Mr. Speaker, are conclusive. This year, the deficit will be reduced to below \$30 billion. To get that result, 70 per cent will come from savings in Government spendings and the balance from an increase in Government revenues. Canadian men and women will not lose. Deficit reduction in the first place fosters confidence in the economic community; in the second place it results in a decrease in total money demands, two items that will result in a gradual decrease in interest rates. Each and everyone of us will benefit sooner or later from that interest rate reduction. If we look for instance at average family mortgages in the vicinity of \$50,000, a mere 3 per cent interest reduction amounts to a \$1,500 saving per family, which means that all Canadians will gain financially, economically and socially from the fiscal measures put forward Wednesday by the Hon. Minister of Finance.

And, indeed, I am not alone in commending this Budget. I noted this morning the following in a *Globe and Mail* editorial:

Let us acknowledge what the Government has achieved in repairing Ottawa's finances less than two years after its election.

This is a most positive editorial in one of the more credible of Canadian dailies. It reflects satisfaction, confidence, recovery. In the editorial page of today's *Le Devoir*, Albert Juneau comments on the Wilson Budget, from which he draws the best of positive conclusions, after brushing a somber picture of the Liberal legacy inherited on September 4, 1984.

Finally, Mr. Speaker, I conclude on a final quote, this time from *Courant* published by the Economic Council of Canada. This is a most credible scientific review, prepared by economists whom the previous administration should have been consulting. They should have consulted not just the review but its members, because they had appointed them, they were paying their salaries. But was it viable to listen to the members of the Economic Council of Canada? Was it consistent with the Laprade Fund wasting public money for purposes of Liberal patronage. In this VI-3 journal for 1986, Mr. Speaker, it is said how important it is to amend our tax system especially with respect to various legal means used to avoid taxation.

Some Hon. Members: Oh, oh!