

*The Budget*

I would like to take a few moments to speak on the national debt.

Just prior to the Conservatives taking power in September 1984, the debt was at \$200 billion. Today it is in excess of \$420 billion. This government has more than doubled the debt. The high interest rate policy supported by this government has helped boost the deficit. This year's deficit of \$31.5 billion is the highest since 1985-86 and the fourth largest in Canadian history.

One really has to wonder how this government is managing our country's economy. There have been all kinds of opportunities to improve the economy. Despite years of strong revenue generating economic growth; despite repeated tax increases, 33 of them; despite widespread spending cuts in every area of government services, it still managed to double the debt and it could not even reduce the deficit.

The finance minister said that this year's forecast and next year's forecast for the deficit will not be met. It keeps going up and yet we have two million Canadians on welfare, including 700,000 children who stood in line at food banks in 1991. Those hungry children are indeed a black mark on Tory records. Today there are more food banks in Canada than there are McDonald's restaurants.

The budget is not doing much to inspire business confidence either. The minor tax changes the government is making are more than offset by increasing interest rates and the high dollar. How can we take this government seriously when last Friday the U.S. Commerce Department's international trade commission handed down yet another ruling declaring that Canadian softwood lumber exports to the U.S. were unfairly subsidized?

This ruling, which has resulted in a punitive action of 14.48 per cent duty on Canadian lumber imports, is totally unacceptable. The industry should not be held hostage for American domestic politics of protectionism. It stands to lose some \$430 million during the next year as well as thousands and thousands of jobs. What does this budget do for our lumber industry? It contains no provisions whatsoever to help the Canadian lumber industry during its time of need while it is being harassed by the Americans.

In conclusion, despite golden opportunities to reduce the deficit between the years of 1985 to 1990, the government mismanaged public funds. This government has vowed to wrestle inflation to the ground and as a

result has wrestled the economy to the ground. This budget does not address the longest recession we have ever seen. The people of Canada are looking to the government for some hope of relief from the poor state of our economy. The government has failed miserably to resolve the current economic situation.

**Mr. Garth Turner (Halton—Peel):** Mr. Speaker, I did not hear all the hon. member's remarks, but there were a couple of elements in his remarks that I did hear and I would like some clarification.

I heard him refer to the government's home buyer's plan and the ability that taxpayers will have to withdraw up to \$40,000 for a couple to purchase a home. I would like the member to clarify it for me. I thought I heard him say that if the funds could not be withdrawn from a financial institution because of the particular plan they may have invested in, the plan was useless because it would not allow funds to flow before the closing date.

My knowledge is that most financial institutions are very happy to open up fixed term investments such as GICs right now and let the money flow out of those fixed term investments because interest rates have been coming down. Most financial institutions have had these funds locked up at higher rates so they are more than happy to open them up and let the funds flow through. It is an ideal time now with a lower interest rate regime for this particular plan to work.

Second, I thought I heard the Minister of Finance say in Question Period today that there was a 30-day grace period.

• (1600 )

If a home had to close there was this 30-day period where funds could still flow from an RRSP. I would like the member to address those two points.

The member talked as well about the government and its debt, and I think he used the phrase "this government has doubled the debt".

The Canadian debt as a whole has in fact doubled. I agree with that statement. I am wondering if the hon. member can address the fact that if the government had not been running an operating surplus last year and this year, the debt would be \$25 billion higher today than it is now. The fact is that all of the additional debt is the result of the accrual of compound interest, and actually our debt would be a lot higher today without the government's actions.