

The Budget—Miss Nicholson

I would suggest that the Opposition come up with new speeches and change their tune.

Mr. Speaker, we do not hear anything either about the 2 per cent drop in interest rates since September 1984, or the inflation rate which has gone down to the 1971 level of 4 per cent, the first time at 4 per cent since 1971. The best way to draw a parallel with 1971 is to read the Fiscal Plan. Here is something for Members of the Opposition to chew on. Page 36 shows that in 1971 personal income tax as a percentage of the GNP was 7.7 per cent, whereas the projection for 1985-86 was 7.2 per cent.

In other words, the personal income tax-to-GNP ratio will be lower in 1985-86 than it was in 1971-72. Not a word about that, Mr. Speaker, yet these are positive factors which are highlighted in the Budget.

The one thing which has the Opposition running around in circles is that for the first time in 20 years we have a Minister of Finance (Mr. Wilson) who rose in the House and stated: "My year-end deficit will be \$33.8 billion." He said that in May 1985, Mr. Speaker. Then in February 1986 he rose again to confirm that this year's deficit will indeed amount to \$33.8 billion.

But it is not the first time that a Minister of Finance does not err in his estimates. This serves to prove another point: the economic statement of November 1984 was right on, the Budget of May 1985 was perfectly consistent with the 1984 statement, and the 1986 Budget is the confirmation of the good job done over the past 18 months by the Minister of Finance and this Progressive Conservative Government, Mr. Speaker.

● (1740)

We have taken a deficit which was to reach about \$39 billion, and we have first reduced it to \$36 billion. It is \$33 billion this year and the projections are for less than \$30 billion for the fiscal year 1986-87, while creating jobs, and reducing both the interest and inflation rates. Mr. Speaker, I understand that Members opposite have nothing to say. The outlook is good. Unfortunately for the Opposition, the economic climate in Canada is good.

Spending cuts and tax increases will account for 70 per cent and 30 per cent respectively of the deficit reduction. Again, Mr. Speaker, these tax increases are consistent with what we have always preached. First of all, a progressive and across the board 3 per cent surtax for all Canadian taxpayers. Those in higher income brackets will pay 3 per cent on a higher amount than those in lower income brackets, which makes it progressive, Mr. Speaker.

As for the federal sales tax, we are implementing a federal sales tax credit. That is a fine initiative. Hon. members opposite have been very quiet about this. That \$300 advance which low-income families will get in November—

An Hon. Member: They are not here!

Mr. Robichaud: One of them is here.

Mr. Vincent: There is no Liberal Member present, and those outside cannot hear us. Sit down and listen to the good budgetary measures, then you may speak about them later. They are afraid of the truth, Mr. Speaker.

Last Thursday, I took part in three open lines and I met businessmen in West Island with my hon. colleague Gerry Weiner. I met also other businessmen in the fine riding of Trois-Rivières and I met the representatives of the *Association des contracteurs de la Mauricie*. All these people are unanimous, Mr. Speaker! This Budget meets exactly the needs of Canada and responds perfectly to the economic situation left by the previous Government. It is indeed the previous administration which was responsible for this \$200 billion debt, and Canadians are aware that they must help reduce this deficit which increases by \$35 billion annually. They are aware that the previous administration has created a national debt which is out of proportion and with which we cannot live. Out of \$100 billion in federal spending in a given year, \$50 billion go for social programs, and \$25 billion, thanks to the previous Government, which pay interests on the debt created by that government. That means \$100 million a day. I can say that the people in the constituency of Trois-Rivières would be happy to have these \$100 million to spend on serious programs rather than on wasteful projects as was the case in the past. However, we have to pay the bill, and this is what we are going to do now, Mr. Speaker.

I was saying that I met with people from Trois-Rivières and Montreal and that all are in favour of the Budget. They all accept that there is a small price to pay and that we have to take care of it now because, in one year, or two or three, it will be too late. We can no longer tolerate that 25 per cent of our expenditures each year go to pay interests on our debt. The situation is impossible! No business could survive if 25 per cent of its yearly expenditures went simply to pay interests on its debts without repaying even part of the principal. Not one business could survive and the federal Government cannot either.

I have taken part in open line programs where people call to give their impressions. The comments were all favourable. Even low income Canadians are happy with the beneficial measures we have proposed for them. Everyone is happy except the Opposition naturally. That is unfortunate.

I went to a conference and a man told me: "I am a Liberal, but I must admit that your Budget is good. I must admit that it is realistic and serious."

An Hon. Member: Was this in Shawinigan?

Mr. Vincent: In the Sait-Maurice riding. I did not dare to name it before, but I shall do so now. People recognize that