

There is an opportunity for development, some of which may be unique. Some Hon. Members might remember the Alsask Pinetree Base located on the border of Saskatchewan and Alberta. Most people would not consider that to be a retirement area but there is now a very vibrant retirement community located on that base. Senior citizens from across Canada have come to that strange small corner of the heartland of Canada on the border of Saskatchewan and Alberta because there is a community there with security, infrastructure and the support of one another.

• (1240)

There are options. We know it is difficult. Other Ministers will be involved. We will seek co-operation from other government Departments so that something we recognize as being very difficult for communities can be less traumatic with assistance.

Mr. Harvey (Edmonton East): Mr. Speaker, I must say that while listening to the Minister during the course of his remarks this morning, I was more than once moved almost to tears. The spirit of selfless sacrifice that obviously has motivated the Minister and his Department's approach to this Budget is something which I think we must all deem to be little short of heroic.

However, there was a nagging doubt at the back of my mind. I finally felt compelled to check with one of my colleagues, and imagine my surprise when it was confirmed that in fact the defence budget is increasing this year. In fact, the defence budget is assuming a larger proportion of total Government expenditures. So, it seems to me that we are left again with a question of choices.

It is not the fact that vicious cut-backs in the Defence Department budget are forcing the Minister to close bases. No, the Minister is choosing to close bases, and I would suggest that that be borne in mind.

I do have a question for the Minister, if I may, and it arises from a letter I received last week from a fellow Albertan. He notes in his opening paragraph:

The Budget—Mr. Harvey

A balanced budget is no guarantee for financial well being and a large national debt is not a recipe for financial disaster. Antonio Salazar—

Parenthetically, I would note that he, too, was a big fan of large defence budgets.

— the late dictator of Portugal, religiously balanced the budget for 35 years in a row and Portugal remained the poorest country in western Europe. During World War II Canada had deficits, in today's terms, of \$100 billion per year and in 1945 the national debt was \$700 billion. What followed was 25 years of excellent economic growth, low inflation and low interest rates.

Can the Minister point to any substantial factors—other than that, at the time, corporate income tax made up more than individual income tax and it was unquestionably the period of the largest Government regulation of the economy in Canada's entire history—to explain this remarkable financial record prior to the ascendancy of the Conservatives?

Mr. McKnight: Mr. Speaker, I do not find it strange that a Member of the New Democratic Party would treat with sarcasm and scorn actions that have been taken by the men and women who serve Canadians. I do not find that strange at all from a Member of the New Democratic Party.

The Hon. Member says that our budget will increase. In nominal terms, it will increase. That increase is needed.

If the Hon. Member were to consult with his Party's defence critic, he would understand that Canada's commitment, ability and opportunity to bring about and take part in peace-keeping around the world is not just incumbent upon the UN peace-keepers. Every man and woman who is in uniform today is a peace-keeper in Canada and a peace-keeper for the world. Canadians asked them to do that. Canadians set the task. In this country, the Canadian Government sets the tasks and the men and women who serve fulfil them.

The Hon. Member spoke of dictatorships and of expenditures. He spoke of the tremendous growth Canada saw. This country spends 35 cents of every dollar the people send to Ottawa to pay interest on a debt that was accumulated in a very, very short period of time. When this debt started to really steamroll was when the New Democratic Party and the Liberal Party joined in a coalition in 1972 to 1974.