

Supply

The member said I did not suggest where the funding would come from and that I criticized the government for having relieved the tax load on the high and upper middle income people by some \$1.4 billion in this first year and by \$2.5 billion in the second year, money that could have been used to create \$25 million worth of economic activity. That is where the money would have come from: the giveaways to the wealthy. That is what I am suggesting.

Also \$4.3 billion was spent for helicopters. The point I was trying to make is that we do not need those helicopters. There were \$40 million on proposal costs dealing with the helicopters and \$1 billion on low-level air defence against Soviet Russia. Soviet Russia does not exist any longer. This is \$1 billion on a system that does not work. The government spent \$250 million to purchase anti-tank guns. We will have to build the tanks first or buy them somewhere, or what are they going to shoot at? Will it be each other?

I tried to point out where the funding would come from. I am trying to say that the government is wasting money. We need not take all this money. Some of this money could go into the deficit. It could just take a portion of it and put \$2.5 billion of it, one year's saving of income tax to the wealthy, into a national highway program year after year. That in itself would have a significant effect upon lowering the deficit by creating economic activity in Canada and by paying wages to people who would spend them here in Canada.

It is obvious. I hope the member now realizes the error of his ways.

Mr. Alex Kindy (Calgary Northeast): Madam Speaker, I would like to make some comments about the estimates that we are going to vote on tonight. It is one of the most important votes we have in this Chamber. We are going to allocate approximately \$160 billion to the government so that it can spend.

I remember when we took office as Conservatives in 1984 that the budget at that time was only \$90 billion and the debt was only \$180 billion. After so many years we are still running a huge deficit of \$30 billion probably this year and next year, annually, and the accumulated debt is over \$420 billion.

We are in a bind because a lot of the money we collect from the taxpayers has to go to servicing the debt. Naturally this does not allow us to move in the direction we would like to move and probably spend more money on infrastructure and other projects, especially in a time of recession.

I remember just a couple of months ago the Minister of Finance would not pronounce the *r* word, recession. He said: "We are not in recession. There is no problem. We are going to get on with economic activity". He did not realize—and a lot of the members on the government side did not realize it—that the economy was slowing down and that we were losing a lot of economic activity because of a free trade deal with the United States that had not been negotiated properly.

The people who negotiated the deal said that we would have an adjustment period for our industry, and so on and so forth. We have just to look at certain areas like the border towns of Cornwall and others that have lost almost all of their industry. Almost all their industry has moved to the United States.

It is quite understandable because in any situation where we have a free trade deal, we need parity as far as taxation is concerned, as far as the cost of money is concerned and as far as productivity is concerned. Otherwise we are at a loss. We cannot compete.

What happens is that people in business know. For instance, a factory situated in Mississauga where industrial land goes for \$300,000 or \$400,000 an acre can get the same land across the border in the United States, in Buffalo, for \$30,000 or \$20,000. The labour cost is lower. A lot of these companies move across the border to establish their economic activity in the United States.

All this has compounded the problem we are facing today. We are simply becoming suppliers now of raw materials for the United States and other parts of the world. As most of our trade goes to the United States, we are supplying the raw materials.

The Minister for International Trade has a special line now. He says: "We have much more exports to the United States". Naturally we might have more exports, but it is raw materials. It is not manufactured goods. This is the problem. Factories are being established in the United States. We export raw materials, and who benefits but them? I will conclude because my time it up.