• (1740)

If we examine the reasons for the government's mismanagement, we realize that the Conservative government has not been consistent. After the Throne Speech, the budget is the first document that gives a general view of the government's policies. It reflects the government's financial position. Its impact on programs and program management and the consequences for the deficit and the debt are obvious.

The budget generally includes a collection of miscellaneous statistical information and economic forecasts, and during the past nine years we have been treated to some examples of Conservative rhetoric. This information is supposed to explain to Canadians, in simple terms that are easy to understand, how the government's regulatory decisions, including the monetary policy of the Bank of Canada—and Heaven knows its high interest policy has done a lot of harm—as I was saying, how all this helps to meet the objectives set by a good government that makes decisions with the requisite transparency, in the general public interest.

During the past few years, the Auditor General has elaborated on this subject in his reports, and especially in his 1991 Annual Report, in which he suggested how the government could communicate to the public, in a way that is both informative and effective, the results of its monetary and fiscal policies.

He recommended a "scorecard". In fact, the Auditor General suggested that the government prepare and publish, as part of an annual financial report, a "scorecard" that would show Canadians the results of its deficit reduction plan. These scorecards would compare actual results with budget forecasts. It is too bad the government never introduced this scorecard so that Canadians would have a better understanding of the objectives and the problems involved.

The hon. member for Acadie—Bathurst explained the situation very well, and I think some members would do well to read his speech. If the government had implemented this recommendation by the Auditor General of Canada, it could have avoided the catastrophic discrepancies in recent projections on the deficit. The government has lost a great deal of credibility because it is incapable of producing accurate forecasts.

For instance, in February 1991, the government predicted that the annual deficit for 1991-92 would be $30.5 billion. A year later, 11 months after the beginning of the 1991-92 fiscal year, the government announced that the annual deficit would be $31.4 billion. However, when the financial statements were published last fall, the real deficit was up to $34.6 billion, a difference of more than 13 per cent between what was projected and the actual figure, a difference of more than $14 billion in the projections of the Department of Finance. With all their experts and very sophisticated economic models, they were unable to predict the size of the deficit. They have all the necessary equipment, all the experts, but they cannot give us the proper figures.

• (1745)

In the private sector, someone that incompetent would be dismissed immediately. For eight years now we have been putting up with this government that cannot manage this national debt properly. I recognize the size and magnitude of the debt; I admit that compound interest is a problem. I know that a debt starts off easy, but as it grows, interest on the interest adds to the problem and costs dearly. That is the problem. However, the government has not explained the size of the problem to Canadians. Pressed to justify its predictions that were far off the mark, the Conservative government was never able to provide proper explanations that would have improved its future projections and helped it avoid making the same mistakes all over again.

To reduce the deficit, the Conservatives favoured budget cuts, without first setting priorities. The government did not understand that the deficit, employment, economic growth, inflation, taxation and good management are all inter-related and that co-ordinated, balanced policies are required to get the country out of the mess we are in.

Since the government has such a bad record in predicting the budgetary impact of its poor decisions, who can believe that this government is telling the truth when it tells us that the deficit in 1997-98 will be $8 billion, according to the latest budget? I think that projection is questionable. Besides, who would believe the Conservative leadership candidates who are now promising to wipe out the deficit in four or five years, depending on which one you listen to, without bringing