

The Budget

countries. They are marching for democracy, but they are also marching for enterprise because they know that that is the solution to their problem. They know that you cannot take more than you give, as the members in the New Democratic Party are always pretending. You cannot take more out of the system collectively than you put into it. It is as simple as that. If Canadians do not realize that, we are in big trouble.

That is our job, to convince Canadians that that is the situation. How are we going to do that? We have to point out, time and time again, even though the members opposite do not want to hear it, the great disaster that was nearly brought on the country by years of Liberal deficits piling up, detailed, not by members of the Progressive Conservative Party, but by people like Terence Wiells in *The Gazette*. I read his article dated Sunday, April 23, 1989, where he said: "How did we get into this mess?" and details from Benson on through, year by year, Liberal budget after Liberal budget, leading to deficit. You get sick of saying it, but if people will not listen you have to keep saying it until they do listen because the legacy of years of debt is a financial disaster for Canada. It is an erosion of social programs, the inability to carry on and reach all your national and international commitments.

What does it mean in dollars? Very simply, when we came into office in 1984 there was a \$16 billion deficit in program spending. That meant that the amount spent by the government on programs was \$16 billion more than the revenue. In 1989-90 there was a \$9 billion surplus on program spending. That is, we lived by the principles announced by the Minister of Finance. We said we are going to relate revenues to expenditures and we produced a surplus of \$9 billion.

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But here is what people have to realize. If you take those two figures, the deficit of the Liberal government prior to 1984 and the surplus that we established over a five year period, and add them together, that is \$25 billion. Add that to the current deficit of \$30 billion which we are still incurring and the figure is \$55 billion. If we had not taken action we took in 1984 and in subsequent years we would have a deficit in this country of over \$50 billion.

Can you imagine what that would do to our dollar? It would not be worth 50 cents. People are complaining that the dollar is going down. It would go down right to the bottom, below 50 cents. What would interest rates be? We would be glad to pay 13 or 14 per cent because they would be 26 per cent. What would inflation be with a \$50 billion deficit in Canada? Talk about double digit. There is no such thing as triple digit but I can tell you it would go a heck of a lot higher than 11 or 12 per cent that we saw in the early 1980s.

So those are the kinds of problems that have to be underlined and understood by all Canadians or they are not going to understand the programs that the Minister of Finance has introduced, the initiatives that he has taken to right the wrongs. That is why I say the budget is about reality.

Let us talk about the opposite of that reality. Members opposite like to mention the polls. No problem with the polls. We can get back on top, we can go up to 50 per cent or even 60 per cent. All we have to do is restore VIA Rail and its \$600 million a year deficit, let the Post Office carry on as it did before and produce another \$600 million deficit instead of the \$70 million surplus they experienced in the last fiscal year. We can roll back tax increases. We will not require Canadians to pay any more in taxes. We can increase the OAS, the GIS, we can roll back the unemployment insurance changes. We can just fund the deficit on the unemployment insurance plan.

We can go on with all sorts of programs that will bankrupt the national treasury and everybody would be happy. They would think that was wonderful. They would all support the Progressive Conservative government because they would be getting more money in transfer payments. They would have all kinds of services. But for how long? It might last a year, it might last two years, it might even last three years. But sooner or later you have to pay the piper and when the Canadian people pay that piper they will find they are paying enormous interest rates. They are going to have to face the reality that the whole system is going to collapse.

But the government is not going to let the system collapse. They are not going to be misled by the empty rhetoric of members opposite and members of the New Democratic Party. We are going to grasp the realities of