

*Government Orders*

Canadian competitiveness is further in decline. Bankruptcies have reached record levels. Unemployment has continued to rise, so has the tax burden and so has inflation. The balance of payments and Canada's foreign indebtedness have seriously deteriorated and the Minister of Finance will know that government revenues are falling, as we saw as recently as the last quarter.

That was the background to the motion which has been brought forward today: a major recession, public finance virtually out of control and the country itself in serious economic difficulties.

This government, finding itself in such serious economic difficulties, has complained that its problems after seven years in office are really the fault of the Liberal government which went out of office in 1984.

We have had this story repeated to us several times today from the government side. Surely after seven years the government has some better explanation for its policies, can justify its policies, can offer some reasons to the Canadian people for why we are in the situation we are than to say: "Oh, it really was not our fault; it was the fault of a Liberal government that went out of office seven years ago".

• (1840)

The government anticipated what it said in its 1984 publication *A New Direction for Canada*, it offered a document that contained a sharp indictment of Liberal fiscal policies. The government that went out of office in 1984 was alleged, and I quote, to be "the source of poor economic performance", "soaring government deficits", "rising unemployment", "sluggish economic growth" and "an economy dangerously off course".

If that sounds familiar it is because it is a very accurate description of this government's economic policies after seven years in office. Every one of those points that they allege were the characteristics of the government that went out of office in 1984, are the characteristics of this government's economic policy today: soaring government deficit, rising unemployment, sluggish economic growth, and an economy dangerously off course.

If we look back to 1984, since my friends on the government side seem to be obsessed with that mythical explanation for its own folly, the truth of the matter is that the Conservative government inherited a surging Canadian economy which was demonstrating a remarkable recovery from the 1981-82 recession, a recession

that was as serious and as deep as any which the western world had encountered since the 1930s. It was a world-wide recession. It was generated, in part, by the volatile petroleum prices of that time. It was generated outside Canada. It was an imported recession, unlike the recession which this government has foisted on the Canadian people. It was not a made-in-Canada recession. It was a world-wide recession.

The fact is in 1984 the economy was growing at the rate of 4.7 per cent in real terms. That was the legacy that the Liberal government of the day left to its successor, the Conservative government, a growth rate that was never exceeded again except one year and that was marginally in 1988.

At the same time, unemployment had declined, inflation had reached the lowest rate since 1971. The trends were all positive. The merchandise trade balance had a surplus of about \$20 billion, a near record level, and with a non-merchandise deficit of \$17 billion, the balance of payments on current accounts showed a \$2.7 billion surplus. That too was part of the legacy left to the incoming government by the outgoing Liberal government of the day.

Interest rates were falling, the domestic saving rate was increasing, and even foreign indebtedness was being reimbursed. I would like to hear any member on the government side of the House indicate in what way, in seven years in office, they have moved to reduce rather than increase, Canada's total indebtedness.

Perhaps myths die hard, but this is certainly a myth and we have heard it again today. I would repeat that the government must be singularly bankrupt in economic policies if the best it can do is to complain about a situation that did not exist but was allegedly left by a previous government.

It is evident to all of us that the record of this government does not include achievement in reducing and eliminating the debt and the deficit which remain such an albatross around the neck of Canadian business and the Canadian people.

In 1984-85, as my colleagues, the member for St. Boniface and the member for Ottawa South, have pointed out, the national debt was \$199 billion. For this current fiscal year it has reached \$388 billion. Next year it is estimated at \$419 billion. Even on the assumption that the Conservatives had no responsibility for the 1984-85 year, which is not correct, Canada is paying interest this year on \$189 billion of Conservative debt