

The Budget

We replaced the Foreign Investment Review Agency, which does not arouse fond memories, with Investment Canada.

Our initiatives have produced results, Mr. Speaker. The economy has expanded for seven consecutive years. Our job creation rate has been the highest of all industrialized countries except Japan. The purchasing power and after-tax disposable income of Canadians increased dramatically. These are facts and figures that speak for themselves.

However, we also had to open up new opportunities for our economy, at a time when world trade is becoming global and increasingly powerful trading blocks are being formed. That is why we negotiated a free trade agreement with the U.S., which gives our products and services secure access to the richest market in the world and which will lead—the figures from independent agencies are there to prove it—to a sustained 3.5 per cent increase in our economic output. A lot of money, a lot of investment and a lot of jobs are reflected in this figure, Mr. Speaker.

I realize that many of our friends across the way will continue to drape themselves in the Maple Leaf, in order to oppose free trade. They don't know or pretend they don't know that in the past year, prospective investment has increased by more than 11 per cent, that business has been urging us to speed up elimination of tariffs and that Canadian companies are eager participants in our programs to promote sales in the United States. These are unmistakable signs, Mr. Speaker.

Obviously, when you have run the country on a hand-to-mouth basis for 15 years, it is not always easy to understand what is involved in long-term management of public finances which keeps the future in perspective. That is what we are doing. We are giving our companies and our workers the best possible tools to get ahead in a world that is becoming increasingly competitive and where no one is going to give it all to us on a silver platter.

The tax reform that will come into force next year is also a case in point. The new goods and services tax will rid us of a tax system that is obsolete, unfair and extremely harmful to the Canadian economy. It will give us a modern tax system, one that already exists in 48

countries across the globe. It is a system that, whatever people say to the contrary, will help low- and middle-income Canadians improve their lot.

The goods and services tax will help achieve three goals: reduce the deficit, stimulate the economy and make our tax system more equitable.

Mr. Speaker, we are well aware that certain measures are not very popular at first. This is to be expected when aiming for long-term benefits, and in any case, we are certainly not trying to win a popularity contest. That is not why we were elected, Mr. Speaker. We were elected to govern with a long-term perspective, in the best interests of Canadians.

The future demands that we act responsibly. First of all, we cannot afford to leave to future generations, to our children and grand-children, the debts that we ourselves incurred. We must ensure that Canadians will continue to have one of the most advanced health care systems in the world, social programs that are among the most generous of any country, and a modern education system. We must also be able to respond to the new challenges of the future, such as protecting the environment.

If we are to be successful, Mr. Speaker, we cannot wear blinkers. We must have a vision of the future and the courage to defend that vision, even at the risk of becoming unpopular.

Reducing the deficit and the national debt is not the end-all and be-all, but it is the only way to provide for a prosperous economy and a better future for Canadians. It is the only way to have the flexibility we need to make real choices. We cannot make real choices when one-third of every dollar collected by the government goes to pay off the debt. If we let this percentage increase, we may compromise our future by reducing that flexibility, thus becoming increasingly vulnerable and, in the long run, unable to maintain those programs to which I was referring and which are so much a part of our lives.

The Budget brought down by the Minister of Finance keeps us on the track of budgetary responsibility. The government will continue its expenditure control plan. We will save \$7 billion over the next two years and nearly \$20 billion over the next five.