

*The Budget*

quick solutions. That seems to be the thrust of the criticism, that I have seen to date.

I would like to address that point directly and specifically because I think it is a criticism really lacking in validity. I do not think that those making those criticisms have really taken the time to understand what the budget is trying to do.

First, if we need to have any reassurance, it is impossible to spend one's way out of bad times and into good times. We only need to look at the recent experience of the Ontario government.

The last budget in Ontario of the government of NDP Premier Bob Rae was a classic textbook example of an attempt to spend your way from bad times to good times. What that budget tried to do was the following. First, it increased civil service salaries. In fact, the size of the bureaucracy in the province of Ontario has been expanded. Second, that budget had an over-all significant spending increase in it. The spending increase was more than twice the rate of inflation at the time the budget was brought down. It was a very expensive exercise.

There were major transfers of funds to municipalities and school boards and hospitals. Basically, a lot of extra money was borrowed in order that it could be spent. So much more money was borrowed by the Ontario government during that budget that the deficit exploded from under \$3 billion a year to almost \$10 billion. That was an unprecedented explosion in the deficit.

Deficits, as we all know in this House, are deferred taxes. A deficit is not just money borrowed somewhere that does not need to be paid back later. Deficits are deferred taxation. Ontario tried to increase the deficit to \$10 billion and at the same time raise taxes by about \$1 billion so all this money could go into government spending.

What was the result?

**An hon. member:** Just ask them.

**Mr. Turner (Halton—Peel):** This was the kind of budget the critics are now criticizing the federal government for not having brought in. Therefore what were the results of the Ontario budget? The premier made a television address in January and told the whole province exactly what the results of his budget were. He admitted that it had not worked. The premier of Ontario said that in effect the economy of the province was going down

instead of up as a direct result of his own economic policies, which he now quite rightly judges to have failed. Ontario now is facing a potential budget deficit not of \$10 billion but of \$14 billion in the coming fiscal year. The situation has gone from bad to much, much worse.

In the province of Ontario the government of the people has been forced into an austerity program. The premier has recognized that his stimulative budget did not work and now he needs to practise austerity. The premier has discovered what the federal government has already learned because the feds went through this process during the last recession of 1980, 1981 and 1982. At that time year over year spending was increased, the deficit was raised, and the debt was expanded in an attempt to spend our way out of bad times.

It did not work for Ontario in this recession. It did not work for Ottawa in the last recession. We learn from experience and example. The federal government now says that what we need to do today is to not repeat the mistakes of the past. We need to get people back to work. How do we do that? Not by repeating those other mistakes but by doing something fundamentally different. That is to create a promising economy that encourages investment. That is it.

We are trying to stimulate the economy through this budget and create jobs by creating confidence. That is the most important word today: confidence. That is what we are lacking.

I get distressed sitting in this Chamber listening to the critics of the government, such as the opposition member for Ottawa—Vanier who spoke a few minutes ago and focused most of his address on everything that is wrong. He focused on the existence of food banks, unemployment assistance and other examples of what is wrong in this economy which he was able to find, as were other critics.

I have a problem with those, opposition members and some media people, who have a stake in accentuating the negative about Canada right now. All that does is hurt the confidence necessary to restore investment to Canada.

I would like to talk specifically about this budget and the general theme of confidence. The budget does a lot not to solve any problems overnight but to move us a few steps along the path necessary to restore confidence to the economy.