

The Budget

I would prefer that we look at the budget used by the government to announce its forecasts and other projects. Indeed, it costs hundreds of times more than my four annual newsletters.

To be serious, we must look at major expenses. I fully agree with the principle that you mentioned, namely that it is important to tighten our belt, to set an example. If we do not set an example, why would those who watch us and who sometimes support us want to do that? It would be totally contradictory.

We must set an example and I am willing to do that. I am even prepared to participate and to make suggestions in a number of fields. I have already started doing that and I will be happy to continue to do so.

[English]

Mr. John Reimer (Kitchener): Mr. Speaker, when this government was elected to office seven and a half years ago, the biggest challenges facing us was, first, to restore fiscal responsibility; second, to create a climate for a more dynamic, flexible, innovative and competitive economy; and, third, to create jobs.

An hon. member: What happened?

Mr. Reimer: If the member wants to know what happened he should listen to the rest of what I have to say.

The challenge was a large one, to say the least. The federal deficit and national debt were out of control. Between 1981 and 1984 the annual deficit escalated from \$14.7 billion to more than \$38.5 billion. The national debt had doubled and was growing at an average rate of 26 per cent per year. Likewise, government spending was out of control.

In the four years prior to our coming into office, government spending on programs had increased at an average annual rate of 14.6 per cent, far in excess of inflation and enough to double spending in about five years.

If this trend had been allowed to continue the result today would have been catastrophic. The cumulative effect on our national debt would be an extra \$445 billion. That would mean that our debt today would be close to \$900 billion, more than double what it is now, if all we had done was to continue the Liberal program before us.

• (1710)

Therefore, if we had continued to spend as the Liberals had, not only would our debt be more than double today, but this year's spending would be close to \$289 billion. That is \$129 billion more than the \$160 billion we plan to spend this year.

In fact, in every single budget since the November 1984 economic statement, this government has cut government spending. In the 1984 economic statement we cut \$4.2 billion in spending, followed by our first budget in May 1985 which reduced spending by another \$2 billion. In this budget we will be cutting spending by another \$1 billion this year and \$7 billion over the next five years.

Knowing that Canadians did not want to leave their children and their grandchildren a legacy of crushing debt, it was crucial that this government act, and act we did. Since 1984 we have kept the average annual increase in program spending to 3.9 per cent, which was lower than the average inflation rate over that same seven-year period from 1984 to 1992 of 4.6 per cent. Contrast this 3.9 per cent average annual increase in program spending to the Liberal period from 1969 to 1984 with an average annual increase in spending of 13.8 per cent.

This budget also provides for a 5 per cent ministerial salary cut for the Prime Minister and all cabinet ministers. Added to that, the Prime Minister, the cabinet and all members of Parliament will not receive any salary increase this year. Further, and this is something very few Canadians know, the Prime Minister has since 1984 reimbursed the Government of Canada to a total of \$55,155 for the purchase of food consumed by himself, his family and personal guests at 24 Sussex. No other Prime Minister has done that.

In 1985 the Prime Minister and cabinet ministers took a 15 per cent and a 10 per cent reduction in salary respectively and all members of Parliament had their pay cut by \$1,000. I am sure if we canvassed the members of this House who were here then, we would learn not a single one of them ever received any positive comment for that.

Furthermore, it is important to remind everyone that a few months ago this government introduced a legislated ceiling on program spending of 3 per cent per year over each of the next five years. This further proves our commitment to control government spending.