

The Budget—Mr. Reimer

debt would be \$100 billion more than it is now, with the inevitable outcome of higher interest rates, fewer jobs, less growth and declining economic confidence.

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. Therefore, in November of 1984, barely two months into our mandate, this Government set forth a long-term economic plan in its economic statement. In the three and a half years since, and in each subsequent federal Budget, we stuck to this plan, convinced that it is the only way to fiscal stability and renewal. That is why we have, for example, since our first opportunity to tackle expenditures on April 1, 1985, reduced spending to an average annual rate of increase of 4.9 per cent. That contrasts sharply with an average of more than 15 per cent in the preceding 15 years under the Liberal Government. In fact, when one excludes public debt charges, we are looking at an average annual increase of 3.7 per cent under this Government, less than the rate of inflation. Compare that with the 14 per cent under previous Liberal Governments.

The contrast is even more dramatic when compared to the 23 per cent average annual rate during the current Liberal leader's term as Minister of Finance in the Trudeau Government from 1972 to 1975. When one looks at what took place during that time we find that a \$481 million surplus was turned into a \$4 billion deficit. The gross national debt grew by 50 per cent. Debt service costs grew by 85 per cent. Inflation doubled from 5.1 per cent to 10.6 per cent. Total unemployment climbed by 164,000. The Bank of Canada rate rose by 4.25 percentage points. If we tried to match that rate of expenditure growth we would be spending \$226 billion in the coming fiscal year instead of \$132 billion. That would be enough to push the annual deficit to \$122 billion instead of the \$28.9 billion for the fiscal year in 1988-89.

One need not take my word for these figures. With respect to the Right Hon. Leader of the Opposition's tenure as Minister of Finance the Auditor General said that he was:

—deeply concerned that Parliament, indeed the Government, had lost or was close to losing effective control of the public purse.

He then went on to say:

Federal management and control in the Government of Canada is grossly inadequate.

• (1630)

However, in commenting on the first two years of this administration the Auditor General said that his sense was that there is an interest in better accountability and better management. He then went on to say that he believed "Members of Parliament and the taxpayers of Canada should be heartened by genuine improvements".

Under the leadership of the present Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) we have implemented a more fairer tax system which encourages growth and job creation and which creates a system that

assists our businesses and our industries to compete in the world.

We have entered into an historic Canada-United States trade agreement in order to build a more open and adaptable economy. It will protect our high level of trade with the United States which comprises some 80 per cent of our exports, close to 90 per cent of the exports of Ontario. It will protect close to three million Canadian jobs that are involved in our trade with the United States.

We have implemented priority programs to assist regions and sectors hurt by unexpected developments in world economy such as the programs we have implemented for our farming community.

We have privatized 13 Crown corporations. We have deregulated energy and transportation sectors in order to reduce government intrusion into the market-place.

We have removed the ruinous National Energy Program.

We have opened financial markets to global opportunities and stimulated greater competition in financial services.

We dismantled FIRA and created Investment Canada to encourage and welcome investment capital from abroad, investment that is now creating jobs for Canadians.

Permit me now, Mr. Speaker, to look at the outcome of the Government's economic agenda. The international and national economic indicators speak for themselves. Among the seven major western countries in the G-7, Canada has been first in economic growth since 1984. We are first in employment growth in the G-7. On the domestic front, since the Government came into office, for the first time in the post-war period the deficit has declined four years in a row. More than 1,158,000 jobs have been created and 85 per cent of those are full time. The unemployment rate has fallen by 3.6 per cent to 8.1 per cent in January of this year. Youth unemployment has dropped from 18.3 per cent to 12.7 per cent.

The Bank of Canada interest rate has fallen by 3.76 percentage points. The chartered bank prime rate has fallen by 3.75 per cent. Direct foreign investment has doubled between 1984 and 1987. Housing starts and consumer spending are up 43 per cent and 37 per cent respectively since the last election. The inflation rate has been in the 4 per cent range for three consecutive years, which is the most stable price environment since 1971.

Economic growth in my own province, the Province of Ontario, has been nothing short of spectacular. Since the last election 547,000 jobs have been created, with the unemployment rate falling from 9.4 per cent to 5.6 per cent. Housing starts and retail sales are up by 122 per cent and 41 per cent respectively. Help wanted ads are up by 182 per cent compared to a 34 per cent decline during the Liberals' last mandate. In recent months in my constituency of Kitchener we have had either the lowest or the second lowest unemployment rate of any major Canadian city. Indeed, in December of 1987