

begin the task of reducing the deficit and the national debt.

With the kind of financial pressure I have just described, it is quite clear that we need a few years to set our financial house in order and get back on the right track.

**Mr. Hogue:** Stagnation it was!

**Mr. Couture:** Economic stagnation indeed.

In 1984 the government took very positive measures designed to balance the Canadian budget. By that I mean the government set its sights on bolstering the country's economy and worked relentlessly to create new jobs so that Canadians would be able to lead a decent life. It was a complete turn around as compared with the situation that had prevailed during the 14 preceding years.

• (1850)

Considering that we went from a \$300 million budget surplus in 1970 to a \$38.3 billion annual operating deficit in 1984, I must say that one has to be really unable to manage the financial affairs of the nation to post such a pitiful performance. Today's borrowing authority is the result of that performance. The government needs to borrow \$25.5 billion, a figure which is altogether justified in light of everything I have just said.

The first thing the government had to do between 1984 and 1988 was to reduce the annual rise in expenditures. The figures bear repeating because they are quite simply mind-blowing: 17.9 per cent in the first term—this is an annual average, of course—10.1 per cent in the second, and 14.1 in the third. When the new Conservative government took over in 1984—and I can say this with a clear conscience, Mr. Speaker, because I was a Canadian citizen at the time, not a Member of Parliament—it had a very precise and soundly structured plan of action with clearly defined objectives. Sure enough, we saw the government implement this plan of action right from the beginning. From 1984 to 1988 the increase in annual expenditures dropped to 3.6 per cent and the annual operating deficit declined from \$38.3 to \$28.1 billion. That in itself was quite an achievement. During that same period we created over 1.5 million new jobs for the benefit and to the satisfaction of Canadians.

### *Government Orders*

But the government did not choose to sit on its laurels and kept on steering the same course, following the same policies and setting the same objectives. In 1988 it chose to stay the course by limiting spending increases to 3.2 per cent over the next four years.

A while ago I heard my hon. colleague from Calgary Southeast (Mr. Richardson) say that, since 1984, expenditures in Canada have risen by an average of 3.5 per cent a year, which is the exact figure.

Our economic performance is worth mentioning. We created a lot of jobs and restored the faith of many Canadians in their economy.

**Mr. Hogue:** Yes!

**Mr. Couture:** Canadians who, through their entrepreneurial spirit—

**Mr. Hogue:** Thanks to the Minister!

**Mr. Couture:**—and their leadership, played an active role in the economy by creating new jobs and improving the general situation in this country. I think Bill C-65 now before the House is quite justified in light of the economic performance between 1970 and 1984. Since 1984, spending has actually been cut, as demonstrated by the figures I just mentioned. Naturally, this kind of commitment requires cut-backs. Obviously, the government must limit its spending, ensure an acceptable standard of living for Canadians, assist in the development of certain sectors, but it must also make budget cuts. I believe this government has done a great job.

A while ago I heard people talk about budget cuts to VIA Rail.

Of course, when no one in a country or region takes the train any more, I wonder why we must maintain rail service for those regions. If there is no one on board, if no one needs the train to travel, I think that it must be cut. Our government has understood that very well, unlike the Liberal government which for over 14 years understood absolutely nothing and left us a very difficult situation that it will take several more years to correct. We are now definitely on the right track. The deficit has dropped from about \$38.3 billion in 1984 to \$28.1 billion. In 1994, the deficit will probably be less than \$10 billion. That is what the people opposite do not understand.

**Mrs. Campbell (South West Nova):** Interest rates are now at 15 per cent.