

Supply

We talk about the current debt exceeding \$400 billions, but where does this debt come from? It was \$206 billion when we were elected in 1984. Add to that interest on \$206 billion since 1984 and you get the amount of the current debt. This means that since 1984, this government has managed to no longer borrow to pay for programs, government operations, government spending, except for debt charges.

As you know, Mr. Speaker, our accumulated operating surplus since the fiscal year 1987-88 is nearly \$34 billion, which means that had it not been for the debt charges we have had to pay on the debt we inherited, we would now have a \$33 billion surplus in our coffers.

Again, the opposition will argue: "No wonder. You have raised taxes umpteen times since". This government's operating surplus since 1987-88 is due in part to a 30 per cent tax hike and in part to 70 per cent cuts in government spending. We have administered, we have managed this country as well as it could be. There is still room for improvement. There is no doubt in my mind about that. However, we have taken big steps to ensure that on every tax dollar paid to government, not one per cent goes toward the interest on the debt, not one per cent has to be taken to borrow to pay for the day-to-day stuff, the equivalent of groceries for a family. The money which comes in here stays here and pays all the government's expenses and some is left. Unfortunately, the problem is that there is not enough left to pay the huge amount of interest on the immense debt we inherited.

In that context, the finance minister's economic plan is important. In a difficult period of global change, we must have a vision of the future. The Minister of Finance and the Government of Canada must take measures that may seem Draconian but are important in the long run for the well-being of a community and a country called Canada.

Again, I challenge the opposition. Instead of a motion condemning the government, which is easy to do—The motion of the hon. member for Hamilton East has two lines: That the House of Commons condemn the government for its economic policy which is no good. Two lines. Where are the suggestions? Where are the improvements to the system which the opposition could very well suggest and which we would be ready to listen to and work on for the good of Canada? Again, I did say these

should be valid, feasible suggestions. Do not ask us to spend more and more; the government has none. Forget about spending projects. We must act and as we said in 1984, we are acting and will continue to act to reduce the deficit. Canada must not end up totally in debt. That is why the measures taken are not easy.

I think that we must honestly see the positive points. In the third quarter, housing sales and starts increased over last year. This is partly due to a measure that the Minister of Finance put in the 1992 budget allowing the use of RRSP money for the purchase of new homes. Domestic demand in Canada and purchases have increased and 77,000 new jobs have been created since April. I am in a good position to tell you and to know that that is not enough in Canada, in the Trois-Rivières region or in Quebec. But when do you hear about the 77,000 jobs created since April? When, in this House, does a member of the opposition rise to congratulate the government for the 77,000 jobs it has created? After all, 77,000 new jobs is better than nothing. But no, when a member rises it is to talk about all those who are unemployed, again without necessarily suggesting solutions, or else to propose solutions that would make the inflation rate go up. We know that if inflation goes up, interest rates will also go up. Consumers, small businesses and large companies will not be able to improve technically, benefit from the new technology and be competitive if interest rates go up to 20 per cent or 22 per cent and inflation is 10 per cent. We know that because we experienced this situation in 1981-82. It simply does not work.

I also want to talk about the famous GST. The GST replaced the federal sales tax which had been in existence for 65 years and which taxed people at a 13.5 per cent rate, unbeknown to them. A 13.5 per cent tax was applied on cars and numerous other items, but nobody knew about it. Everybody was happy; everybody was paying taxes, but nobody knew about it.

• (1540)

This government wanted to implement a taxation system that would be more visible, fair and equitable; it wanted a tax system based on consumption. If you earn \$200,000 a year, you consume and pay tax, a tax you see and know. On the other hand, some money is given back to low income people who must also pay the GST but who are financially less secure.