

The Budget—Mr. Charest

close to the end of the world. That is not quite what the facts indicate.

The point is, Mr. Speaker, that we know where we are going. Our third objective was to reduce substantially each year the financial requirements and borrowings of the state. In September 1984, public requirements, excluding exchange requirements, amounted to \$29.8 billion. We are now estimating financial requirements for the coming fiscal year at \$21.3 billion, or 28.5 per cent less, and all this within three years.

Mr. Speaker, this means that the state will pay less interest on the money it needs to finance its activities, and the state includes everyone, in other words, all ordinary Canadians who go to work every morning and who see part of their pay cheque taken away from them every Thursday. It means that these people will have less to pay.

Mr. Speaker, our fourth and last objective was to accomplish the major part of our financial improvements through expenditure restrictions and a disciplined management of taxpayers' money. You will say that this is obvious and that it was needless to include such an objective in the management principles of our Government. However, Mr. Speaker, we had reached a point when this had to be said because Canadians were no longer used to hearing such things or at least to seeing this principle applied by their Government.

When we came to power, public expenditures were increasing by nearly 14 per cent a year since the early eighties. What exactly is different under our Government? Public expenditures have increased by an average of 2.8 per cent a year, which is lower than the rate of inflation. In other words, Mr. Speaker, program expenditures have decreased in real terms. The reduction of the deficit in relation to the economy represents over 60 per cent of the reduction in our own expenditures.

That is not all, Mr. Speaker. All this had to be accomplished in a difficult context. Our country is made up of regions and there was pressure from everywhere to satisfy the various groups and Canadians at all levels of society who are facing a number of problems. If we look at the general situation, what is the conclusion after two and a half years? What do we find? That is the most important consideration for us today.

[English]

I will not even try to enter into a partisan debate with members of the New Democratic Party or Liberal Party. I will simply try to give the facts and let them speak for themselves, because if there is one thing Canadians understand, it is the cold hard facts in this case. Since September, 1984, when we took control of matters, the real growth of Canada's economy has averaged some 3.5 per cent a year. We were only second to Japan in the industrialized world. Consumer confidence has risen to a very high level in Canada.

The improving Canadian economy has created 675,000 jobs. In comparison to the rest of the world, employment growth in Canada has been stronger than in any other major industrialized country. That has been our performance.

One may think that we cannot do much better than that and we might as well go home. If you were a judge, Mr. Speaker, and this was a court, you would say "case closed", because this is irrefutable evidence of our case.

However, the facts do not stop there. Short-term interest rates are at their lowest levels in nearly a decade. It does not even stop there. Five-year mortgage rates have fallen by more than three per centage points which, in real terms, is equivalent to a reduction in interest costs of \$1,360 a year on a \$50,000 mortgage. Housing starts are at their highest in eight years. That has been the performance of the Government. What must we do in the future? In that sense we realize that the prospects for the future are probably as good as the ones I have given you today.

[Translation]

In fact, Mr. Speaker, we have clearly made remarkable progress, but if we turn to the future, we realize there is much hope for Canadians. Canada should enjoy 2.8 per cent production growth in real terms, making this the second longest post-war economic recovery. Canada should again post the best employment growth of all industrialized nations. The unemployment rate, with some luck and co-operation, should keep on declining to 9 per cent towards year's end. Interest rates should remain stable, consumer confidence should keep on fueling growth, inflation should settle below 4 per cent on average, and international conditions should improve for Canadian exports thanks to the recent decline in interest rates, the foreign exchange market realignment and the firming up of commodity prices.

Mr. Speaker, such on the whole are Canada's future prospects—there is a big difference between a healthy, a genuine administration and a Government that found it difficult to balance the fund when it managed lotteries.

● (1520)

[English]

There has been a lot of talk from Hon. Members opposite on different subjects. The Minister of Finance gave a very unpretentious speech on Wednesday. He pointed to the fact that tax reform is on the way and there is going to be a major change for Canadians. He said that the tax reform would have as its objective to make the system fairer for the ordinary man and woman who pays taxes. My colleague, the Hon. Member for Duvernay (Mr. Della Noce), who is sitting next to my colleague, the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg), who comes from a great part of British Columbia, says it is about fairness. Of course it is, because that is what governing is all about. That is why we are here, to be fair. Of course, those who sit in the Opposition cry: "Why do you not bring in tax reform right away? Do it now".

Mr. Riis: It was promised three years ago.

Mr. Charest: Perhaps that is the way it used to work under the other administration. If that administration wanted