

*Borrowing Authority*

It is surely no secret, Madam Speaker, that our Budget is tough. It is tough, yes, but it is also fair! Remember that the debt costs us \$1 billion in interest alone every 15 days. That is huge! We do not have the choice of turning off the tap and raising taxes. There are major budgetary restrictions. The large increase in debt service prevents the Government from reducing the deficit this year. These expenses—public debt charges and government operations, which in a way are paralyzing our country's finances—cannot be reduced, Madam Speaker. So the priority is to curb the deficit and then lower it to a more acceptable level. This is the goal set by our Finance Minister and he has given himself the tools he needs by reducing expenditures and increasing revenues.

Limiting the debt will enable us to pass on to our children and grandchildren something other than a huge debt that may be out of control. This budgetary policy, Madam Speaker, guarantees all Canadians a better future. Allow me to draw to your attention, Madam Speaker, the comments of a distinguished citizen from my region who said the following at a meeting of business people a few days ago, as reported by Bertrand Tremblay in *Le Quotidien*: "If he wants to do an effective job courageously, any Finance Minister must sacrifice his popularity, philosophized director Eddy Lalancette at a meeting called by the accounting firm of Charette, Fortier, Hawey, Touche and Ross."

The one who said that, Madam Speaker, is a former municipal councillor who was once a financial officer himself. Mr. Lalancette indeed knows that applying such measures may not be popular—that is just what our Minister has done. I believe that he has put his finger on the situation facing us. We must take unpopular action, yes, but in the interest of Canadians!

Also, Madam Speaker, I would like to present to you other comments that say the exact opposite, to show that every Canadian can have a different point of view. This time, it is one of my colleagues in the Québec National Assembly, Francis Dufour, and here is how he saw our Budget. In one of our newspapers, *Le Réveil local*, he said that the federal Finance Minister's latest budget in no way shows that the Mulroney Government is able to control its expenditures seriously. But, Madam Speaker, I think that my colleague is surely not familiar with the Finance Minister's Budget and this document on the Budget Speech. I will give it to him here and I think it is important for Canadians to see what is happening. In 1984–85, government program expenditures were \$86.8 billion.

• (1610)

When we took power, the Government revenues amounted to \$70.9 billion. It means that, in 1984–85, our expenditures exceeded our revenues by about \$16 billion. In 1988–89, the Government spent \$100 billion on programs and its revenues were \$104 billion. In the coming year, expenditures will be around \$103 billion and Government revenues will amount to \$112 billion.

As we can see, Madam Speaker, Government revenues are gradually getting higher than its expenditures. However, our Government has to deal with the problem of the growing debt. The debt has now reached \$320 billion and it costs a lot of money. I will now quote some figures which should make the situation clearer. In 1984, the deficit amounted to \$38 billion; in 1988–89, it is \$28 billion and next year it will reach \$30.5 billion. As for expenditures, they accounted for 19.5 per cent in 1984, 16 per cent in 1988–89 and 16.1 per cent in 1989–90. Those figures show that our expenditures are decreasing in proportion with the gross domestic product.

Madam Speaker, we have a date here which cannot be ignored and which show that the Government has brought its debt under control and taken the appropriate action to ensure that the debt will soon grow more slowly than the Canadian economy.

That being said, Madam Speaker, I think that with all due respect for my colleague, the Québec MNA should consider these elements for he would realize that on the contrary the Government is headed in the right direction. Perhaps he would do well to heed the advice of Mr. Lalancette who said that a Minister of Finance cannot expect to win a popularity contest when he delivers a Budget speech.

Yes, Madam Speaker, ours is a tough Budget, but I think it is fair. Why fair? Because it expects more from those who can afford to pay, those who can make that extra effort in the national interest just so we can indeed reduce that famous debt.

For starters, major companies will contribute more, and I would like at this point to convey certain considerations. We found out that a number of major companies seemed to be able to find loopholes enabling them to contribute little if anything to the public treasury. In some cases we wanted to make sure that these corporate giants would pay at least a minimum income tax every year and thus be party to the debt reducing effort. So what we did was to ask these companies to pay a new levy on capital in excess of \$10 million. This new tax will be in force as of July 1 this year, an additional source of tax