

I think it's time for honest talk in Alberta about the sales tax. Let me quote from a letter my office received from Ron Watkins, Vice President of Interhome Energy Inc. of Calgary.

"We view the GST as an improvement to the present federal sales tax and an important component of the government's efforts to manage the nation's deficit. Adoption of the GST, however, should be accompanied by a continuing government commitment to specific expenditure reduction goals."

Mr. Watkins refers to two things apart from the GST: the deficit and expenditure reduction.

I would understand - even share - a resentment of the GST if the government was neglecting its responsibility to control expenditures or to reduce the deficit.

As a government we have a covenant with the citizens of Canada. It is this: it is fundamentally irresponsible and unfair to ask our citizens to bear the cost of economic renewal if the government itself is unwilling to bear its full share of the burden.

I believe we have kept this covenant. The following facts speak for themselves.

Fact one. In 1984, the Government spent \$16 billion more on government programs than we had coming in the door in revenue. By 1988, this deficit had been eliminated. In fact, this year, we will be bringing in \$9 billion more than we spend. This money will be used to pay down the deficit. This means that if we weren't paying off the debt accumulated by past governments, we'd be running a surplus.

Fact two. The cost of operating the government - paying the salaries of civil servants, paying for equipment and maintenance, etc. - is actually 10 per cent lower today than it was 5 years ago. And that doesn't even take into account inflation. Petro-Canada hasn't matched this record. Imperial Oil hasn't matched this record. Shell hasn't matched this record. In fact, I am aware of no major oil company that can match this record.

Fact three. We've chopped the size of the civil service by 12,000 over the last 5 years. In the previous five years, the government increased the size of the civil service by 4,000. It's now down to the level it was at in 1973.