

[English]

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am pleased to have the opportunity to address this House for the first time.

Some Hon. Members: Hear, hear!

● (1640)

Mr. Price: I look forward to the opportunity over the next three to four years of addressing and contributing to the process that takes place in this House in a meaningful and positive manner.

During the recent election campaign, the Progressive Conservative Party promised Canadians an enlightened national program for economic renewal, a program built on a solid foundation of open consultation with the provinces, the private sector, management and labour, women's groups, natives and minorities. We promised to build a dynamic national consensus that would define new national goals for Canada and a fair and equitable manner in which they could be realized. In the three short months since Canadians overwhelmingly endorsed our manifesto, we outlined, on November 8, the first chapter of a coherent national plan to involve Canadians in determining their collective destiny. It was a courageous effort, open, detailed, sound, logical and, above all else, honest. It is a plan that will give Canadians an opportunity to participate in a consultative and co-operative process that will lead to a rekindling of a vast potential which was kept dormant by the years of virtually uninterrupted Liberal mismanagement and frivolous abuse of their elected position. What the Liberal government of the last decade and a half failed to do, we have done in three short months.

The program of expenditure reductions announced on November 8 were part of a conscious, well defined plan for economic renewal, Mr. Speaker. They were not arbitrary, heavy-handed and callous reductions in government expenditure as suggested by the Hon. Member in his motion. They involved numerous responsible discussions between Ministers who took great care to ensure that no single group of Canadians or no single region was disproportionately affected. We were ever mindful that all expenditure reductions were not without some degree of pain. At the same time we were steadfast in our belief that some bitter medicine was needed to revitalize a great Canada left moribund by Liberal mismanagement and imprudence.

We were not alone in the belief that expenditure reductions were needed and could be effectively introduced. The Leader of the Opposition (Mr. Turner) himself admitted during the campaign that there were billions of dollars in the current \$100 billion federal budget being wasted. He said, and I quote:

There is a lot of space to reduce and cut expenditures and duplications. Programs which are no longer in force, which are no longer pertinent, wastage in public administration. I believe this reduction in expenditures could save us billions of dollars.

Indeed, Mr. Speaker, federal Government spending has climbed from around \$12 billion in 1968 to over \$100 billion in 1984. A significant portion of this increase occurred in the four years since 1980. Government spending was only \$50

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billion when the Liberals were re-elected in 1980. The profligacy that followed in those short four years was unparalleled in recent history and is a matter of public record and public discontent. The last 10 years since 1974-75 has been characterized by a staggering accumulation in our public debt as the result of annual deficits, and I would like to examine briefly some of the facts.

In 1974-75, the net public debt was \$24 billion. By the end of 1984-85, it will have risen to almost \$190 billion, an eight-fold increase in 10 short years. In 1974-75, \$1 out of every \$20 of tax revenue was used to pay the net interest on this debt. If gross interest payments were used, the numbers are one in three in 1984-85, compared to one in nine just 10 years ago. Canada's national debt is growing much faster than the Canadian economy. The net public debt will have increased from 16.6 per cent of the Gross National Product in 1974-75, to a whopping 45.2 per cent in the current year. If allowed to grow as projected, by 1990-91 the net public debt will have more than doubled to \$400 billion, or 63 per cent of the projected Gross National Product.

These continuing deficits and growing debt critically undermine confidence. They put upward pressure on interest rates and reduce prospects for growth, not to mention the psychological albatross around the necks of future generations of Canadians. Simply put, if taken all at once, then total deficit would cost each Canadian taxpayer over \$17,000, more than many Canadians make in a whole year, Mr. Speaker.

The persistence of deficits, while eroding the confidence of foreign and domestic investors, is also indicative of the previous government's inability to manage its financial affairs with any degree of prudence. This Government cannot and must not tolerate the continuation of such a pattern of excessive expenditures relative to revenue. In behaving responsibly and practically, we introduced a number of very conscious policy and program decisions on November 8. The decisions were aimed at restoring some degree of fiscal flexibility within the context of creating an environment within which balanced and sustained growth could be fostered.

The Hon. Member has referred to harmful and irresponsible cuts and makes wild allegations regarding the relationship of this Government to the provinces and the public. We are all aware that government has become too big under too many years of Liberal mismanagement. With its regulations, subsidies and interventions, it intrudes perversely into the lives of Canadians and the Canadian market-place. Heaven help the poor unsuspecting Canadian business person who endeavours to find his way through the maze of over 100 federal government programs which purport to serve his needs.

During the campaign, Mr. Speaker, this Party promised to introduce principles of productive government management to ensure that Canadian taxpayers received value for money. To make government more responsive to the needs and aspirations of Canadians, we launched the ministerial task force on program review led by the Deputy Prime Minister (Mr. Nielsen). Its mandate is to streamline the delivery of programs, to eliminate duplication, and to get more value for every dollar