

The Budget

[Translation]

Mr. Jean-Marc Robitaille (Terrebonne): Madam Speaker, I welcome the opportunity today to take part in this debate and to express my views on the measures contained in the federal Budget.

If we are to have a constructive debate on this Budget and some appreciation of all the nuances and subtleties it contains as well as the actual measures it proposes, I think we should consider the Budget in the context of the economic situation and the budgetary realities facing us today.

One aspect I would like to mention right away is the fact that the Budget contains no tax increases. It is the first time in living memory that a federal Budget has not proposed tax increases, and whatever certain opposition members, whose judgment is often clouded by political partisanship, may say, this Budget contains no tax increases. Canadians sent us a clear message. They asked us not to raise taxes and to cut spending, being equally aware of the major problem the deficit and our national debt represent for the economic future of our country.

Despite the fact that we have cut the annual growth of the debt from 24 per cent to less than 10 per cent since 1984, the debt is still growing faster than the economy. Our public debt has grown from \$200 billion in 1984 to \$350 billion this year. Eighty per cent of this increase consists of the compounding interest on the \$200 billion which our Liberal friends left us as their legacy in 1984. We must not forget that the current budget deficit, contrary to what some people would have us believe, is not the result of uncontrolled government spending but was caused by the monstrous debt we were left by the previous Liberal government, combined with the incredible imbalance between that government's revenues and expenditures. That was the situation we inherited in 1984, and we have been working very hard ever since, with today's remarkable results.

In 1984-85, the government had an operating deficit. Program spending exceeded revenues by about \$16 billion. This means that when we came to power in 1984, the government spent \$16 billion more than it received in terms of tax revenue, and it was necessary to borrow those \$16 billion.

Today, in 1990, this balance is now positive, with revenue \$9 billion more than program expenditures. This means that now we do not spend more than we take in. On the contrary, we spend less.

This turnaround of \$25 billion in the operating balance brought it from a deficit of 3.6 per cent of gross domestic product in 1984-85 to a surplus of 1.4 per cent in 1989-90.

Madam Speaker, I believe that it is also important to add for the benefit of Canadians and members of this House that 70 per cent of this improvement is due to cuts in spending.

Canadians sent us a clear message: they are ready to tighten their belts, the people are prepared to make an effort so that together we can repair the irreparable, but they demand that their governments and their representatives make a concrete effort to reduce expenses and that governments live within their means.

And the Minister of Finance and this government got the message. That is why this Budget contains no tax increases but rather a significant expenditure reduction of about \$7 billion by 1992.

It is important to remember that this spending cut contained in the Budget is in addition to the one announced last December by the President of the Treasury Board which provided for major reductions of about \$1.4 billion over the next three fiscal years.

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The purpose of these measures is to eliminate waste, to make operations more efficient and to save money. For example, Madam Speaker, federal construction projects have been frozen, travel by parliamentarians and officials has been restricted, some parliamentary restaurants will be closed, two government jets are being sold and several government agencies are being merged or eliminated altogether.

Madam Speaker, those are courageous, concrete and responsible acts to give back to Canadians what our predecessors unfortunately endangered.

Madam Speaker, the deficit is a national problem. It requires a national solution.

If we want to restore the public finances, provincial governments must do their part, in the same way that they will benefit from lower inflation, declining interest rates and sustained economic growth.