

Government Orders

operations such as airports, Customs, et cetera. They had fixed expenditures in the year we took office amounting to \$87 billion.

You just cannot turn off the tap on these fixed expenditures and say: "We are going to lay off all those people. We are going to shut down 10 per cent of the runway. We are going to close off part of our border. We are not going to give 100 per cent of pensions to people every year, people who have paid into them. We are not going to take care of those people on unemployment". You do not turn the tap off instantly on those programs. These are things that over a period of 20 years Canadians had come to learn to expect from government.

We had fixed expenditures which demanded \$87 billion in revenue every year, plus a \$200 billion debt with a \$22 billion interest payment. When we became a government we found a bill every year for at least \$100 billion. On the other hand, we had a fixed revenue base of only \$80 billion. How can that be? Surely, the Liberal government would not have established a system where it expended \$100 billion a year and brought in only \$80 billion. The whole tax system—our income tax system, our corporate tax system and our excise tax system combined—brought in only \$80 billion. Yet, for 20 years it continued to expend more than it brought in.

• (1800)

It is interesting to note that, in the years 1970-75, the Liberal governments of the day increased expenditures from one year to the next on an average by 17.9 per cent. How is that? If you folks want more out there and you want to re-elect the Liberals, let us buy you at the rate of 17.9 per cent a year every year.

In the next five years they had some conscience. A little guilt snuck in and they said: "We cannot keep doing this to the country. We are running the country into the ground." In a great effort to reduce expenditures, in the period 1975 to 1980, the Liberals only increased by an average of 10 per cent per year. I do not know how many people across the country were getting wage increases at 10 per cent a year, but the Liberal government did not have any problem in its low-spending years to increase at the rate of 10 per cent a year. It lost some seats and the government at the end of that period because it had

shown such restraint. It went from 17.9 per cent spending increases annually down to 10 per cent.

The Liberal government was not able to buy enough votes so the people of Canada elected a Conservative government in 1979. Unfortunately, it was a minority government. Aided by the socialists, the Liberals were able to defeat that government. We got them again, Mr. Speaker, and they came back with a vengeance. The Liberals said: "We could not get re-elected when we only increased our budget 10 per cent a year. We are not going to let that happen again." By golly, they got right after it. From the period of 1979 to 1984, before we kicked them out, they increased the rate of expenditure every year by an average of 14.1 per cent a year.

Canadians said: "Wait a minute. We have had enough of this nonsense. All they do is spend and get this country further into debt." When this government took office in 1984, the accumulated debt of the Liberal party was \$200 billion. We had a fixed rate of expenditure of \$100 billion and it was bringing in only \$80 billion. The first thing one has to do before addressing the national debt is at least to get revenues up to expenditures or expenditures down to revenues.

Where was the money being spent? I think Canadians know where the money was being spent. Thirty-three per cent was in direct transfers to persons. These were transfers to pay pensions, unemployment insurance, family allowance cheques and all the operations of governments. Those expenditures, increasing at the rates I spoke of earlier, made the country grow. It had been increasing over the previous 15 years at outrageous levels and this government said it had to stop. We are going to try to increase revenues broadly and to increase the level of the economy so that we have more people employed and more jobs for Canadians. Let us make the economy more effective and productive. When we have more people working and more companies creating jobs, the burden is spread out. More people are paying tax and tax revenues will go up. Individual taxes do not go up. The base is spread. More taxpayers mean more tax revenue comes in, and that is what it attempted to do. I must say did a very good job.

The record shows that, for the period from when it was elected in 1984 to today, the increase in spending in Canada of the Conservative government has been 3.5 per cent. In the first five years of the Liberal government it was 17.9 per cent. In the next five years, it was 10 per cent per year. In the next five years, it was 14.1 per cent.