

The short-sighted opportunistic policies of the past have created a mountain of debt which has placed this nation on the very precipice of disaster. When this Government came to power, the nation's finances were in a serious state of deterioration. A string of deficits, which began back in 1970 and continued through to 1984, created a huge accumulation of debt which of itself is contributing more and more to the fiscal problems in the form of ever higher debt servicing requirements, ever higher interest payments. Furthermore, government expenditures continued to rise throughout this period continuing a trend established back in the mid-1960s. This fiscal situation is an effective barrier, a road-block, an obstacle to economic growth. Heavy government borrowing cannot help but put upward pressure on interest rates. As the debt accumulates and interest costs mount up, investors naturally become concerned about future inflation. Their concerns have the potential to manifest themselves in a downward pressure on our dollar and consequent upward interest rates.

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Interest rates, as we all know, are the single determining economic factor in Canada. Lower interest rates have the potential to encourage the kind of initiative and investment on which our future prosperity depends. Lower interest rates will result in more small business activity, small business now being the backbone of this nation, and will result in more home building, more construction and, most important of all, more jobs.

We saw in September 1984 that we must alleviate the misery of unemployment and invigorate the regions of this nation. We have had to reduce government expenditures and at the same time raise government revenues in order to be able to cope with and to overcome this legacy of debt.

This Government is the first in 15 years to face reality. The Government decided to take some courageous measures toward bringing government expenditures under control by improving management procedures, by increasing government efficiency and by eliminating obsolete and ineffective government programs. For the first time in probably 40 years, discretionary government spending has actually decreased. For the first time in four years, government revenues have actually exceeded expenditures when excluding the factor of interest payments.

The trend to ever-increasing deficits has been arrested and reversed in spite of the catastrophic servicing problems arising from the compounding of interest on accumulated debt. Measures were introduced to encourage private initiative with the sure knowledge that it is the small business private sector which generates growth and employment in Canada.

Mr. Parry: Mr. Speaker, I rise on a point of order. My understanding is that we are debating Bill C-11. I would submit that the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) is using the pre-scripted speech designed for government Members to use in addressing the Speech from the Throne.

Income Tax Act

The Acting Speaker (Mr. Paproski): I do not believe that this is a point of order. I think the Hon. Member will probably speak on Bill C-11. I think he is getting to it. If the Hon. Member for Kenora—Rainy River (Mr. Parry) would like to ask him questions or make comments after he has finished his speech, I would be delighted to hear from him.

Mr. Wilson (Swift Current—Maple Creek): I appreciate the generous intervention made by my friend, the Hon. Member for Kenora—Rainy River (Mr. Parry). I think he might be right in a court of law, but I suggest that in the court of public opinion we are given a little more leeway. I am sure he will appreciate that. Indeed I will welcome the opportunity to respond to his questions in due course.

The November 1984 economic strategy laid out the need for enhancing and drawing upon the strengths of all of the regions in order to keep a solid foundation for economic renewal which was to be based on the encouragement of public initiative, on the streamlining of Government and on responsible deficit reduction. Subsequent Budgets have continued in this direction for renewal charted in the fall of 1984.

The question to be asked now is if the strategy is working. I suggest that by any reasonable measure or standard, the policies of the Government have been successful. In terms of economic growth, the growth in the Gross Domestic Product of Canada was the second highest of all of the industrialized nations in the world last year. Inflation has been stable at around 4 per cent for the past several years creating the most encouraging investment environment in the last 15 years. Interest rates are down almost four points since election day. The prime rate is at 9.75 per cent and that is the lowest it has been in some eight and a half years. Of course, mortgage rates have responded accordingly.

Job creation is fundamentally important because more Canadians finding work will mean not only additional tax revenues coming into the pot but also reduced government expenditures through lower unemployment insurance and social assistance contributions. This is the absolute bedrock. The most significant and important problem to address at this time is unemployment, and the need for the provision of conditions under which meaningful, permanent, durable jobs will be available for Canadians is compelling. It is the task of Government to try to create the conditions and environment in which the private sector can flourish and in which private initiative can be undertaken with a minimum of red tape in the knowledge that there is some possibility of success.

The facts are there. Over the past several years, some 595,000 new jobs have been created. Youth unemployment is down by some three points. The unemployment rate has decreased from 11.7 per cent back in 1984 to 9.5 per cent at the present time. In my Province of Saskatchewan, the unemployment rate is 7.5 per cent, some two points below the national average. All of this has happened in the face of extraordinarily low commodity prices.