

The Budget—Mr. Charest

Miss Nicholson: Mr. Speaker, the Hon. Member spoke about previous tax reforms which have relieved low income people of the need to pay taxes. I have not seen that. My understanding is that the Government is in fact reaching down lower and taking taxes from people who have not been required to pay them before. If my understanding is wrong, of course I am subject to correction.

The second matter which the Hon. Member raised is a long-standing problem. When the Government of Canada makes an improvement in one of its programs it requires careful negotiations to ensure that the provinces will respect or match it. If the Government failed to do its homework with the provinces, if it failed to give them advance notice to ensure that people would not lose at the provincial end what they were gaining at the federal end, that is too bad. I hope that will be corrected.

The Acting Speaker (Mr. Paproski): The time for questions and comments has expired.

[*Translation*]

Hon. Jean J. Charest (Minister of State (Youth)): Mr. Speaker, first of all, I would like to take a few moments to say a few words to the Hon. Member for Trinity (Miss Nicholson) who spoke before. In a question I put to her, I asked her to be a little more specific, because that would leave us with some glimmer of hope as to the attitude of the Opposition in the months to come. In answering my question the way she did, however partisan that may have been, she managed to leave us with some hope that from now on the Opposition Parties will be a little more reasonable.

[*English*]

Before I begin to debate specifically the Budget put forth by the Minister of Finance (Mr. Wilson), I would like to invite Members of this House and Canadians generally to reflect on the situation which existed when we came into power in September of 1984. We tend to forget that when we came to power in September of 1984, the finances of the country were completely out of control. The spending was out of control. The deficit was out of control. That is why, on September 4, 1984, Canadians from one end of the country to the other decided that they had had enough of that irresponsible administration of the country. Things had gone far enough and it was time to clean house and bring in people who would administer their taxes in a sane manner.

The Budget put forth by the Minister of Finance is the result of two and a half years of very serious administration by the Government. I will give only one example which is worth pointing out. The previous Government actually lost money running a lottery. I will repeat that. I know it is hard to believe and I will repeat it for the record because I am sure those looking at the "blues" will say there was an error. It is true. The previous Government lost money running a lottery. It could not run a bingo, but it was running the country. That is the type of mess we were called upon to repair. What is the situation two-and-a-half years later?

• (1510)

Let us begin from the time when we took over. In November, 1984, the Minister of Finance came into the House and told Canadians exactly how it would be done.

[*Translation*]

At the time, on November 8, 1984, I believe it was my colleague, the Parliamentary Secretary to the Minister responsible for Multiculturalism, the Hon. Member for Duvernay (Mr. Della Noce), who was there, the Minister of Finance (Mr. Wilson) informed Canadians that we were going to operate on the basis of four fundamental principles. Perhaps we could review those principles, Mr. Speaker.

Our first principle was to bring the increase in the national debt below the rate of our economic growth by 1990. It sounds simple. Well, Mr. Speaker, in 1987-88, the rate of increase of our national debt will be down to 11 per cent. This is less than it was, because I am sure that at this very moment you are thinking: Good heavens, 11 per cent is a lot! Well, just to give you an inkling of how disastrous the situation was in November 1984, it is less than half the rate posted when we took office, Mr. Speaker. I think it was around 24 per cent. Hard to believe, but a national debt growth rate of 24 per cent. Obviously the rate is still too high.

But to be frank, by any standards, anybody, any reasonable citizen who is listening to us now from whatever part of the country will tell you that this is significant progress. Canadians will admit that. We do not expect Members opposite to admit it, but Canadians will.

The second principle was to put a stop to the ever rising federal deficit and set it firmly on an ascending trajectory. You see, Mr. Speaker, in fact we have very little pretension. We did not want to make Canadians believe that we would do miracles or come up with easy answers. Very simple yet quite essential things.

When we took over the deficit had gone over the \$38 billion mark and was still rising, but during our first year in office we managed to bring it down to \$34.4 billion.

Last September the Minister of Finance said that the expected deficit for this year would be \$32 billion and sure enough—as you know this is an uncommon occurrence at the federal level—we have reached our objective and, between now and the end of next year, 1987-88, the Government will have lowered the deficit to less than \$30 billion, down to about \$29.3 billion.

In other words, Mr. Speaker, and this is a major difference between the previous Government and this one, after fifteen years of an increasing deficit, our Government has been able, not only to arrest that trend, but also to reduce the deficit for three years in a row, and this for the first time—listen to this—and I should perhaps turn myself this way because this is hard to believe, for the first time in 30 years. However, according to what we have heard from the other side, we are