

The Speech from the Throne is about confirming that vision and taking the next steps which flow from that decision to allow Canadians in many important areas of international life to excel and to compete and to win. Building on strengths begins with a sense of realism. No nation can increase investment, build world-class industries and compete with the best, if it is not even paying its own way. We must put our fiscal house in order so that our economy can maintain its expansion.

• (1130)

My colleague, the Minister of Finance (Mr. Wilson), will soon table a Budget that will further that objective. The Government will continue to encourage economic development by promoting conditions which will generate confidence on the part of consumers and investors alike. In the last four years we reversed the trend of run-away Government spending. We reduced the deficit by more than \$10 billion. The deficit as a percentage of GDP declined from over 8 per cent to under 5 per cent. The economy has been performing very strongly. Canada's rate of job creation in that period was the highest of the major industrialized nations.

The best social policy in my judgment is a job. With this Government, Canadians have created over 1.4 million new jobs, bringing down unemployment from 11.7 per cent to 7.6 per cent. That is social policy. That is the record of accomplishment.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Madam Speaker, since 1984 our Gross Domestic Product has grown in real terms by 4.1 per cent per annum, a performance surpassed only by Japan among the major industrialized countries. This was done by establishing clearly our resolve to stop the build-up of Government on the cuff, to end the process of putting today's programs on our children's charge account for them to pay.

While we have made progress on the deficit, its very size requires renewed commitment by all of us to reduce it still further. When the Leader of the Opposition (Mr. Turner) came back into politics some four or five years ago one of the statements that I think he made during his leadership campaign was with respect to his intention to reduce the federal deficit by 50 per cent, I believe, in five years. So when the Minister of Finance brings in his Budget I know the Leader of the Opposition will be on his feet seconding the motion.

The Address—Right. Hon. Brian Mulroney

Some Hon. Members: Hear, hear!

Mr. Mulroney: While we have made progress on the deficit, we require renewed commitment. Every significant event in the life of our nation had a beginning, a moment when political decisions were made that set Canada on a course that ultimately would produce important consequences. So it was with the national debt.

At the end of this country's first 100 years of history, in 1967, the national debt—the sum total of all the deficits in our history—totalled only \$18 billion. The cost of servicing the debt at that time absorbed 12 cents on every dollar of Government revenues.

Decisions made in the late 1960s and the early 1970s changed the debt flow in Canada from a trickle to a flood. By the end of fiscal year 1984–1985 that sum had risen to almost \$200 billion. The cost of servicing the debt then absorbed nearly 32 cents on every dollar of Government revenue, and the Liberal Party had been in office during almost the entire life of that growth of the debt. That is where it began. These are the people who are responsible for the tragedy that befell Canada.

Canada was inexorably being placed in a fiscal strait-jacket. The time bomb cemented into the economy in the 15 years prior to 1984, with a tenfold increase in the national debt, remains undefused and constitutes today the principal obstacle to Canada's economic well-being. Every one knows that it takes more than four years to dig out from under such a mountain of debt built up over a decade and a half. Just servicing these obligations forces us to divert an increasing share of our resources. Because of the commitments of the Leader of the Opposition I know that he will speak to his caucus, united that they are, and that caucus will rise as one and support a program of fiscal prudence in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Speaking of comments in the House of Commons, I listened yesterday with amazement as once again the Leader of the Opposition indicated that he had not lost the election, he had won it. I want to congratulate him today on his victory, surrounded as he is by his Ministers.

Ms. Copps: Gracious you ain't.

Mr. Mulroney: Had it not been, according to the speech of the Leader, for the resources injected into the electoral debate by the supporters of free trade, the Liberal Party would have been victorious.