

*Government Orders*

and different parties. I have been amazed by the different approaches that we have had.

As I sat here, as I am sure the Minister of Finance has done for some time, I have really tried to reflect on why we got ourselves into the position that we are in today. What I hear from the other side of the House—and I really do not believe that it believes this—is that it blames it on a policy that happened eight years ago, going on to nine years now, that it was left with a massive debt by the Liberal Party.

I really don't think it does believe that. It is certainly more than that. I think to put in perspective what we are looking at today and the mini budget that came out yesterday, we really need to look at why in the name of the Lord we are where we are today.

There are a number of things that happened. In the last eight and a half years I reckon that about five of them have been reasonably good years, kind of boomish. There has been an opportunity to create jobs and to reduce government spending, the things that the government is trying to do right now. When it takes eight years to get into the rather difficult situation the government has found itself in, it is very difficult to be able with a stroke of a pen and with one budget and perhaps one more main one to go before the next election to really want a policy that is counter to something that has taken eight years to achieve and have it disappear in a short time.

I will grant that the Minister of Finance had very little manoeuvring room. In that sense I would commiserate with him to try and produce a policy that was acceptable to his colleagues and the country, including the opposition.

However, in those eight and half years, and I will use that term even though it is a little less, government spending increased an average of about 4 per cent a year and that was higher than inflation. That was not a good move to begin with. I believe it could have done something about it.

The second thing, the interest payments on the debt, which now represent 26 per cent of all government expenditure, were growing at 9 per cent a year. When you have 9 per cent a year, the interest on the deficit and the national debt and government program spending increasing by 4 per cent a year, it is very difficult to be

able to do anything to change it. This has gone on essentially on average for the last 8 years.

There are other things that have caused us to have little manoeuvring room. The finance minister's projections have been off. I have made projections in my lifetime and it is very difficult with the world situation for the projections beyond plus or minus 10 per cent or 15 per cent. However, the projections have been very far off and I am sure the minister is embarrassed that they are so far off.

He gets advice from his colleagues and I am sure there is a desire to make it look good for each budget, but we are now at the ninth budget, I believe, and we are hearing the same stories and we are seeing the same projects that essentially leave us with the same deficit we had 8 years ago. A lot of Canadians have trouble understanding that.

On top of the other things that I mentioned, the growth in government spending and the 9 per cent increase on financing the debt, in that period of time there have been 32 tax increases which make it very difficult for the government now to use taxing measures to help it get out of this funny situation that it is in, this disastrous situation that it is in.

The deficit is about \$34.5 billion. The government will be taking \$122.2 billion and will be spending \$156.7 billion. I may be out by \$.1 billion. However, when I look at where the revenue comes from, the \$122.2 billion, I see a large percentage of that being paid by the middle class. Fifty per cent alone of that comes from income tax. We all know in this House that income tax falls mostly on the middle class.

Twelve per cent on top of that 50 per cent comes from the GST. We know that the GST falls more heavily on the middle class because it spends proportionately more on consumer products. Thirteen per cent comes from the UI contributions of which more than half are paid by the middle class. Seven per cent comes from what are called in the finance department others, made up of cigarettes, alcohol and gas tax, again falling on the middle class.

I do not have to use much imagination nor be accused of exaggeration to say that when I add all this up I am looking at about 75 per cent to 85 per cent falling very