

We will do everything we can during this debate and throughout the coming mandate of this Parliament to make our alternative Liberal vision come alive for Canadians. We believe in the great dream of Canada, a Canada rich in the accomplishments of the past and the promises of the future, a prosperous Canada, a fair Canada, and above all a sovereign Canada, an example to the world, an example to the world in fairness, in generosity and in concern. For all our people and for the citizens of the world, we will keep that faith and we will keep that dream alive.

Some Hon. Members: Hear, hear!

• (1600)

[*Translation*]

Mr. Jean-Pierre Blackburn (Jonquière): Frankly, Madam Speaker, this is quite a change. Only a few days ago, the Hon. Member for Vancouver Quadra (Mr. Turner) told Canadians: There is no Budget. From what I have heard during the last few minutes, his attitude has changed. He now admits there is a Budget.

Madam Speaker, Bill C-11, which may be cited as "Borrowing Authority Act, 1989-90", is intended to provide the Government with a borrowing authority of \$25.55 billion, so that the Government can meet its financial requirements and carry out foreign exchange transactions. As Canadians, Madam Speaker, we cannot deny that the national debt, which is rising constantly, has become a major problem. The cost of financing the debt is also increasing, at a steady pace.

Only 20 years ago, the interest on the debt was 12 cents out of every dollar paid by taxpayers to Ottawa. However, when our Progressive Conservative Government came to power in September 1984, that figure had already risen to 32 cents. This year it will be 35 cents. So it is clear that as a result of the recent increase in interest rates, this enormous debt has put us in a very vulnerable position.

In just one year, the projected cost of paying the interest on the debt has increased by more than \$6 billion. This year alone, interest will cost us \$39 billion. We must realize, Madam Speaker, that Canada has been living beyond its means. It is easy to find a scapegoat, depending on which side one happens to be in this

Borrowing Authority

House. However, we cannot blame my hon. colleague, the Minister of Finance (Mr. Wilson), for this debt.

I would like to remind Hon. Members opposite that when we came to power in 1984-85, the annual deficit was about \$38 billion, and it was our Government that brought it down to \$28.9 billion in four years time.

Remember that when Mr. Turner was Minister of Finance from 1972 to 1975, his Government's record was: a rising deficit, rising inflation, rising interest rates and rising unemployment.

To remedy the situation, Madam Speaker, it was necessary to act, and that is exactly what we did. We know that if we want to maintain the social programs and high standard of living that Canadians want for themselves and for their children, we will have to implement a tough debt reduction program.

Madam Speaker, our Government has already made considerable progress in this respect. We have succeeded in reducing the growth of the debt from 24 per cent in 1984 to less than 10 per cent last year. Despite that progress, the debt is continuing to grow more rapidly than our national income.

The Minister of Finance has proposed a series of budgetary cutbacks in order to deal with this urgent problem. Madam Speaker, few Canadians like tax increases, but our debt is a major problem that will not disappear by magic.

The reality is that we did not fully pay the cost of public programs over the years and that we lived beyond our means. The measures taken by successive governments before 1984 shrank the tax base. This resulted in unfairness and lower federal revenues. Our Government has since acted to restore integrity to the tax system. This has involved some specific measures over the past four years. We abolished specific tax breaks. We eliminated some loopholes. We limited the ability to avoid tax for corporations and high-income individuals. We also reduced the incentive for tax avoidance with a comprehensive tax reform which broadened the tax base and lowered tax rates. But we must still go farther. A healthy economy is necessary to accomplish our objectives for the coming years. It will provide us more and better jobs, as well as the ability to satisfy Canadians' social and cultural priorities.