

Government Orders

In February 1991, Mr. Speaker, during the last budget, what did we say? We said that spending control was of primary importance. What does it mean for Canadians? It means that inflation is under control and eventually reduced. If you look at the inflation rate since the Progressive Conservative Party is in power, you will see that our record is excellent.

No later than yesterday, the Minister of Finance was comparing the rate of inflation today and the one we had ten years ago to the day. I remember that in 1981, the inflation rate was around 12 per cent. An inflation rate of 12 per cent, Mr. Speaker, means that shortly it will get to 22, 23 or even 24 per cent. The members in this House, like their fellow citizens who are watching us, remember when interest rates were at 22, 23 and 24 per cent, in 1981. They remember how that hurt not only their wallets but also the Canadian economy. So, what we have decided to do is to take harsh measures to control government expenditures in order to curb inflation and bring interest rates down to a reasonable level considered normal for borrowers, businesses as well as individuals. That, is rule number one for a flourishing economy and a prosperous country.

In 1990, Mr. Speaker, we announced that the expenditure control program would be applied for three years. This year, in 1991, we figured this nation's economy needed a breather. So we decided to apply the program for two more years, until 1995, to make sure that the government will not overspend. This leads us to the subject of the debt, our national debt. The NDP does not care about the national debt. It is not important. In 1973-74, Mr. Speaker, the debt was \$25 billion. In 1984-85, the year we took power, it had reached \$206 billion. Now, in 1990-91, it is \$388 billion.

The opposition parties will say that it has doubled. But, in all honesty, they will realize that simply adding the annual interest charges on \$206 billion comes up to \$388 billion by 1990-91. Since 1984-85, we have made difficult decisions—heaven knows that the Canadian people know something about it—precisely to make sure the debt we inherited would not grow by more than the interest charges. The situation is still serious, Mr. Speaker. As we speak, the per capita share of the national debt in Canada is \$15,000. This means that the child born a

minute ago already owes \$15,000. That is what Canada's debt costs: \$43 million a year just in interest charges. That is \$80,000 a minute. That is the price the Canadian people have to pay now for the debt we inherited in 1984: \$80,000 a minute. That is the cost of the interests on our national debt. And we have not started paying off the capital. We are just paying interest.

That is why expenditure control is capital, Mr. Speaker, to maintain inflation at a reasonable level so that our economy can grow and that some revenue can be earmarked for the reduction of the debt.

As you know, Mr. Speaker, the total amount of the cuts made by this government since 1984 is nearly \$25 billion, not \$25 million, but \$25 billion. The CBC was affected, some of our military bases across the country were closed—yet more closures were announced yesterday—, high income earners were told that they will receive lower old age pension benefits or none and couples will not be entitled to family allowances when their yearly income is over \$70,000 or \$75,000.

• (1810)

Our spending increased by 3.7 per cent on average since 1984; a 3.7 per cent average is better than any province and is better, Mr. Speaker, than the party opposite, which in the 15 years up to 1984 raised spending by 13.8 per cent a year on average. That is what is called controlling spending, managing and running a country.

In 1984-85, Mr. Speaker, the Government of Canada spent \$16.1 billion dollars more than it took in, not counting interest costs. In 1990-91, Mr. Speaker, Canada spent \$12.4 billion less than it took in. This means that in less than seven years, we turned spending around by \$28 billion, that is what it means. You see my figures, Mr. Speaker, and a few minutes ago, I told you that we had cut \$25 billion. So you see we are balancing quite well.

They are not easy decisions and they do not necessarily please Canadians, I agree. But at the same time, if I want to be serious, the Prime Minister shows his leadership, his interest in the country and the need to administer and manage as he should, not by polls and opinion surveys but on the basis of the economic reality of the country, its debts and especially, Mr. Speaker, its future.