

*Government Orders*

Despite all these efforts, the battle is still far from won and the struggle must go on if we want to put Canada back on the road to prosperity. Nevertheless, positive results have been achieved in spite of the constant and vicious attacks from the opposition and the disinformation campaigns and bad behaviour of the opposition parties—the Liberals, New Democrats and the rest. These positive results tell us that we are definitely on the right track and going in the right direction.

Although referring to the historic and very costly errors of the government of Trudeau and Chrétien does nothing to solve the present situation, as the opposition loves to say—and I understand their reaction; they do not like to be reminded of those things and if I were in their place, I would do the same because I would be very embarrassed about it—the fact remains that to have a good idea of the progress made, we must have a good idea of where we started from.

Where did we start from, Madam Speaker? In 1984, the deficit was \$38.5 billion, or 10.3 per cent of the gross domestic product. To what was that \$38.5 billion deficit and that \$200 billion debt left to us in 1984 due? It is worth refreshing our memory and delving a little into the past.

Let me quote some statements made at the time. I will quote something Pierre Trudeau said in the expenditure guidelines statement of August 13, 1969. Mr. Trudeau said that if we did nothing to slow the increase in spending we were headed for disaster. Do you know how much spending increased that year, Madam Speaker? Government spending rose 11.5 per cent.

I now come to 1970 and 1971. The same Pierre Trudeau, at the Liberal convention on November 20, 1970, said: "You know, it is easy to say, Why don't you do more, but the answer to that question is always the same: people expect a lot from the economy and these expectations are often competing and contradictory". At that time, government spending was rising at a rate of 12 per cent.

In 1971–72, Edgar Benson said, and I quote *Hansard* for June 18, 1971: "We have constantly urged government, business and labour in Canada to moderate their demands on the economy to levels that do not exceed the additional benefits of increased productivity". At the time, the rate of increase in government spending was 15.5 per cent.

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In 1972–73, we read the following at page 2011 of *Hansard* of May 8, 1972, in a statement by the member for Vancouver Quadra: "The bare fact of the matter is that we cannot do everything at once. We simply don't have the resources. There are limits to the scope of fiscal policy. There are limits to stimulus and readjustment". In 1972–73, government spending increased by 15.6 per cent.

In 1974–75, we read at page 7183 of *Hansard* of July 2, 1975, and I quote the Leader of the Opposition: "We have decided that restraint is necessary. In order to exercise restraint, we had to cut back on planned expenditures". And, Madam Speaker, do you know that at the time, government spending increased by 28 per cent?

In 1975–76, again in a statement by the Leader of the Opposition we read at page 11059 of *Hansard* of February 18, 1976: "I have continued to state the government's intention to hold the growth of expenditures between 1974–75 and 1975–76 to 16 per cent or less. This has been done through the exercise of great restraint on new expenditures and through actual reductions in previously approved expenditures". Do you know how much government spending had increased at the time this statement was made? It had increased 20.1 per cent.

I will now move up to 1980–81. This is from a statement by Allan MacEachen in his budget speech on October 20, 1980 when he said that to reduce the deficit, it was necessary to introduce drastic spending restrictions. At the time government spending had increased by 16.5 per cent.

We will now move on to 1982–83. I am still quoting Mr. MacEachen, who said in his budget speech on June 28, 1982: "Some say the government should print more money. Others say it should let the deficit rip. But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed". Did you know that at the time Mr. MacEachen made his speech government spending had increased by 19.8 per cent?

The result of all this is clear. From 1970 to 1984 the annual average increase in government spending was 15 per cent. The deficit as a percentage of GDP was allowed to rise to 8.6 per cent. What was the situation in 1984 when this government came to power? Interest rates of up to 22 per cent, an inflation rate of 12 per cent and an operating deficit of \$16 billion was the situation