

Government Orders

In fact, he says that by 1990, it could approach \$410 billion. Here we are in 1991 and by the end of this fiscal year we should be, I think, at about \$419 billion. Again and again over the course of his years as Minister of Finance, the previous minister talked about deficit reduction and controlling the debt. He talked about it in his November statement. He talked about it in the 1985 budget, his first budget presented as Minister of Finance. He talked at that time about, and I quote: "a clear and realistic medium-term plan."

In that 1985 budget, with its clear and realistic medium-term plan, he said that the budgetary deficit, which had been anticipated for 1984-85 to be at \$36 billion, would be reduced by 1990-91 by \$20 billion. In other words, he was projecting back there with his clear and realistic plan a budgetary deficit for the year just ended this past April of about \$16 billion. What did he accomplish? He accomplished a deficit in reality of \$30.5 billion.

In his 1986 budget, the minister had adjusted his projections into the future that he had made in his realistic and medium-term plan. By 1986 he thought that by 1990-91 we would have a deficit of \$22 billion. So he was about \$6 billion closer, as it turned out, a year later. And so on it goes.

By 1989, after the election, he was no longer offering clear and realistic plans. He was offering, and I quote, "an ambitious five-year fiscal plan." Perhaps because his projections had been so bad in his realistic plan, he thought by calling it ambitious it would give him a little bit of an escape hatch if he missed on his projections that time around.

What he projected then was a budgetary deficit in 1990-91 of \$28.5 billion. He was off by \$2 billion as it turned out. He thought by 1993-94 it would be \$14 billion and by 1994-95 he thought it would be \$10 billion.

What happened under the ambitious five-year plan. In 1988-89 we had a deficit of \$28.7 billion. In 1989-90 we had a deficit of \$29 billion. In 1990-91 we had a deficit of \$30.5 billion, and in 1991-92 we are expecting a deficit again of \$30.5 billion.

So under the ambitious five-year plan for reducing the deficit, it rose from \$28.7 billion to \$30.5 billion, and I guess that is what the minister would have called progress.

With that legacy, Madam Speaker, it troubles me when I get out the 1991 budget, this year's budget, and see what he is promising under this five-year plan. I do not have an adjective for this one. Neither did he describe it as clear and realistic, nor did he describe it as ambitious. But here is what he is saying is going to happen. He said that between 1991-92 and 1992-93 the deficit would drop by \$6.5 billion. It would drop to \$24 billion. It would drop to \$16.6 billion in 1993-94 and to \$10 billion in 1994-95 and down to \$6.5 billion in 1995-96.

If he had achieved what he had set out to achieve in 1984, we would not even be looking at these large numbers today. What is the history that has gone behind this. We had in the 1980s a period of exceptional economic growth, continuing and prolonged.

• (1710)

I am sure the current minister would agree that the idea is to reduce the deficit in good times so that you have got the resources to fight recessions in bad times.

What happened in the good times of the 1980s? This government talked about deficit reduction and managed while increasing taxes many times to increase the deficit virtually year after year, not quite but by the time we got into the 1980s it was going up each year, and at the same time to reach the targeted debt which the bad old Liberals would have produced if their policies had not changed in 1984. In other words, they failed totally in what they claimed to be able to do and what they set out to accomplish.

It does not give me a very good feeling about supporting this latest effort at convincing Canadians that we are bringing down the deficit.

There are some other fundamental concerns about the economic policies that have been pursued by this government and its ability to achieve economic projections based on what it has done in the past.

Let me start though by going back again to that 1984 statement by the minister. I am sure you hear, Madam Speaker, that the government has alleged that when it came into office the deficit was \$38 billion. It has been said on the other side of the House.

That was the deficit at the end of the fiscal year 1984-85. This government was elected half way through that year. The Minister of Finance, when he came into the House in November, having looked at the books, proposed a number of serious policy changes. He said that had he not proposed those changes, and I quote: