

to work and dealing with the economic mess that was left to the Government back in the fall of 1984.

At that time you will recall, Mr. Speaker, unemployment was in the area of 12.8 per cent. There was a pitiful job-creation record of the previous three or four years. The national debt was approaching \$200 billion. In fact, by the end of the 1984-85 government fiscal year on March 31, 1985, the accumulated national debt was in fact \$200 billion.

The tragedy is that so much of that national debt was caused by program over-expenditures. It was not a case of having to meet interest payments on past debt, as is the case today. Back then it related almost entirely to program over-expenditures.

In the three years leading up to our Government taking over, that is 1982-83, 1983-84 and 1984-85, program over-expenditures increased dramatically each year.

Program over-expenditures in 1982-83 were \$11 billion. That is to say, the Government of the day spent \$11 billion on day-to-day programs of Government, excluding interest on any past debt. In 1983-84, the over-expenditure on a current account basis was \$14 billion. By 1984-85, the last fiscal year of that previous administration, it reached an incredible \$16 billion. That is to say nothing of paying interest on the past debt. We are talking here about plain and simple overspending, putting out more in government programs than there was revenue to sustain those programs.

I am going to circulate a chart to Members of the House containing these figures because I think they are very important and instructive. If one looks at the succeeding Budgets and the fiscal performance during the years the current Minister of Finance has been in charge, one will see a dramatic shift in the composition of the annual deficit. That first year, 1985-86, the program over-expenditure aspect was down to \$9 billion. In 1986-87, it was down to \$4 billion. In 1987-88, there was more revenue taken in by Government than spent on the day-to-day programs. In 1988-89, the year just ended, there was in fact a \$4 billion surplus in terms of excess revenue over program expenditures.

Unfortunately, there has been a steady growth in the amount of money that is required to pay interest on the

national debt, which has been accumulating. We have seen the interest charges on that national debt increase steadily during the last number of years from \$17 billion in 1982-83, to \$22 billion in 1984-85, to \$26 billion in 1986-87 and up to \$33 billion this year. That is of course the root cause of the problem.

The steps that have been taken by the Government have been these: the first step was to reduce the program over-expenditures which characterized the previous administration, the previous 10 or 12 years. That is to say, to reduce those program over-expenditures and get Government back to break-even on its everyday operations.

Once the Minister of Finance was able to accomplish that, that is, to take in enough tax revenues to pay for the day-to-day programs of Government, the next step was to go to work on the interest burden. At this point in time the entire annual deficit consists of interest which we have to pay on the unfortunate accumulation of past deficits—the national debt, as we call it.

Now the objective is to try to bring down that annual deficit. The only way that can be achieved is by program expenditure reductions and by tax increases. There is no magic way that we know of or have heard of from Members opposite. It is not something that can be wished away. We have a debt and we have to confront it and deal with it.

Members opposite are now suggesting that the national debt has doubled during the tenure of this Government. The fact is that from April 1, 1985, until the end of March this year, the national debt in fact increased from approximately \$200 billion to \$320 billion. That is an increase of 60 per cent, unfortunately. It is fair to say that it will have doubled by 1992. However, the fact is that all of that increase, the entire doubling, will consist of interest that has accumulated on the past debt that this Government inherited at the end of that 1984-85 fiscal year.

Mr. Nicholson: The Trudeau legacy.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): The Trudeau legacy, as my hon. colleague points out.

Mr. Nicholson: Cheered on by the NDP.

Some Hon. Members: Oh, oh!