

• (1540)

There are some very important themes in the budget: reducing the burden of borrowing, reducing the burden of taxation and regulations. Admittedly it is not, as we all know, the easy course. The easy course would have been to follow the advice that we are getting, particularly from our friends opposite. Anyone who has ever managed a business or anyone who has ever managed a department would know how difficult it is to reduce spending, to reduce staff, to forgo some opportunities out there that would make one look good from time to time.

From all indications the message has been received. The reaction from those to whom the message was directed is very positive at least in the early stage. The dollar has increased. The market shows positive signs. Frankly what this budget shows are the beneficial results of the tough measures and stern policies we have consistently followed since we came here in 1984. The confidence that we have earned, staying firm against all odds and political sensitivities, particularly during these recessionary times, will bode well in carrying through our mandate.

One of the criteria of assessing a budget has to be the quality and the accuracy of the assumptions that a finance minister makes in his forecasting. For the benefit of our friends opposite who are criticizing this budget and our approach, let me quote a few figures. I will go back to the 1991 budget. The Minister of Finance had to make certain assumptions. He said that in 1991-1992 the rate of inflation would be 5.6 per cent and in 1992-1993 it would be 3.2 per cent. Our memory is good enough to remember the opposition's critique of this particular forecast, that never would we be able to achieve that in such a short period of time. We all know what the inflation rate is today. It is less than 2 per cent. We exceeded our expectations in this area.

Let us look at interest rates: 9.5 per cent for 1991-92; 9 per cent, 1992-93; 7.5 per cent, 1993-94. All of us know that we are a year ahead of our forecasts. We have done very well. The rate of unemployment was estimated at 10 per cent in 1991-92 and 9.98 per cent in 1992-93. Admittedly we are out; we have erred by 1 per cent or 1.5 per cent and the unemployment rate, as we would all agree, is unacceptably high.

The forecast on the deficit is particularly telling because it is right on.

The Budget

I want to make some comparisons with a similar budget at a similar time in an economic cycle 10 years ago, the so-called MacEachen budget of 1981-82. The deficit in 1980 was \$12.1 billion. The Liberals were fighting deficit spending. They had been increasing, as we know, their operational spending by 15 per cent a year on an average over the preceding 10 years. The deficit was the big problem. The forecast in that November 1981 budget was that they were going to get the deficit down to \$10 billion; there would be a \$2 billion reduction in the deficit.

When all was said and done, he had to bring in another budget in June at which time it had grown to 19.5 per cent, just 100 per cent out. When it was actually finished, at the end of the fiscal year the deficit was \$24.6 billion or a 139 per cent mistake.

These are the kinds of comparisons we have to make to put into context what we are doing.

Let us look at interest rates, Liberal interest rates at their highest. The chartered bank prime rate was 22.75 per cent. They are 8 per cent today. These are some of the figures one would have to put on the table when one compared the approach used by our predecessors to confront some very difficult situations such as the one we find ourselves in at the present time.

It is important to point out these things because opposition members are urging upon us the same policies, the same kind of advice that they were following at that time. We all know from the 1981 to 1983 experience what the consequences of following such advice would be. You cannot spend yourself rich; you cannot drink yourself sober. There is no limit to their idea of how gullible the public is in actually giving it any credibility when they make these suggestions. We know what the programs were that they foisted on the Canadian public at the time.

The Acting Speaker (Mr. Paproski): I gave the minister the wrong signal. He has until 3.55 p.m. as far as his time is concerned. I do not want him to go any faster than he has to.

Mr. Oberle: The advice we are getting is to borrow money to stimulate the economy. They say that we should throw money at everything, whether it is education, research, or whatever it is. To throw money at it is their solution.