

The Budget

Croll's words and manner of speaking as I repeat what he said.

The former Minister of Finance, said he would get the deficit down to \$18 billion by the end of the decade. We are talking this year about a deficit of \$31.5 billion. The member for Etobicoke Centre or this government missed the mark by \$13.5 billion. He has the nerve to stand up here and tell us he has any conception whatsoever how to reduce the deficit.

It is high time this government took responsibility for its actions over the course of the past eight years. I would like to quote what the former Minister of Finance said in his budget speech a year ago. On the very first page, he said:

We must deal with the world as it is and not as we might wish it to be.

This government is responsible for the world as it is. The economic situation in Canada today is what it is in large part because of the actions of this government. It is time, I believe, for this member and this government to assume responsibility for the difficult economic circumstances in which we find ourselves in this country today. As I tried to indicate in my speech, it is a big world that we are living in; a knowledge based world economy in which Canadians have to compete. We require a growth strategy to enable Canadians to create wealth. The challenge of the deficit is to create wealth in this country to put people to work and get people paying taxes. That is how this deficit must be fought, not by the cost cutting methods of this government.

[*Translation*]

Mr. Michel Champagne (Parliamentary Secretary to Minister of Forestry): Mr. Speaker, I welcome this opportunity to take part in the budget debate. It is a very important debate in that this year's budget continues what we started in 1984. It is a modest budget, but I think it is a very specific response to the many questions being asked by Canadians and a response to the many examples of past injustice which this budget attempts to remedy.

The present Minister of Finance has given us a sound budget that reflects the aspirations of Canadians and is firmly based on the strategy we developed in 1984, which

was to reduce the deficit, put public spending on a sound footing, help the neediest in this country, eliminate duplication, where appropriate, as well as unnecessary assets, and bring certain agencies within the purview of the departments. We saw in the budget that there are a number of agencies that will be either wound up or merged with others. I think that in a recession like the one we are experiencing today we must make these decisions because they mean making the best possible use of taxpayers' money.

That being said, it is not always easy to make those decisions. The Minister of Finance could have done what other ministers did in the past, which was to try and keep Canadians happy by handing out subsidies and creating programs right and left so Canadians would remember the government's generosity but unfortunately mortgage their future in the process.

• (1240)

This was quite obvious during the previous government's last few years in power, when government spending was substantially increased to enhance public support. For instance, if we look at the record for total spending when the Liberals were in power, the average annual increase was 14.6 per cent between 1980 and 1984. Since we came to power, the average annual increase has remained at 5 per cent.

When we look at total spending as a percentage of GDP under the previous government, this ratio rose from 16.9 per cent of GDP in 1967, centennial year, to 24.6 per cent in 1984.

When we look at the Conservative record, because the opposition is often critical of the way we managed the country's finances, between 1984 and 1982 the percentage of GDP dropped to 22.8 per cent and it is expected to go down to 18.3 per cent by 1996.

When we took over the administration of this country's finances in 1984, we inherited a very substantial deficit. When the Liberals or the New Democrats tell us things have not changed under the Conservatives since the deficit has increased considerably, I would ask them to do some simple figuring with compound interest. It should be obvious that if we had pursued the same approach to spending the Liberals had before 1984, the current deficit would be much higher than it is now.