

The Budget

a rush to try and get the negative headline. Let us look at just a few of these facts.

In 1984, my colleague the Minister of Finance, introduced our agenda for economic renewal. We have been moving to implement that plan on a consistent basis ever since. The plan is aimed at such sensible objectives as reducing our budget deficit, controlling the growth of the national debt, removing obstacles from Canada's economic growth and encouraging innovation and competitiveness in the business sector.

Our plan is working. There are factual independent measurements of its progress. There have been some 1.6 million new jobs created in Canada in the past five years. Of those, 85 per cent are full-time jobs and 58 per cent of them have been filled by women. The unemployment rates have dropped in every region of this country since September of 1984. Youth unemployment has dropped as more and more young people have joined in our economic renewal, a renewal that is being led by progressive and successful businesses and industries.

In the keystone province of Ontario, investment spending has been strong and the province's gross domestic product has grown substantially with an annual growth rate of 4.7 per cent since 1985.

When the people of Canada rejected the spendthrift government in the general election of 1984 and decided instead to bring this government to office, that federal Liberal government was spending \$16 billion more each year on programs than it was collecting in revenues. There was a massive operating deficit. That is how the Liberals manage finances. They thought they could spend their way to happiness.

Today, instead of an operating deficit, we have an operating surplus. The amount by which revenues exceed program spending is \$9 billion. That is a \$25 billion turnaround in five years. When we took office five and a half years ago the national debt was about \$200 billion. That represented nearly half of the nation's gross domestic product.

When the party opposite took office in 1980 the public debt amounted to \$85 billion. In their four short years before we took office they had increased that debt by 250 per cent to \$200 billion. It has grown from \$200 billion, by 75 per cent, to \$350 billion in the five years since we have taken over. Eighty per cent of the growth of the national debt during our five years in office has been as a result of

the compound interest pressure on the original \$200 billion debt we inherited in 1984. These are economic realities which the opposition may not understand.

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Our plan has included policies designed to make Canadian businesses more competitive in what is increasingly a global market-place. We have deregulation of the energy, transportation and financial services sectors, privatization of government enterprise, and reform of the income tax system. We have entered into a free trade agreement with the United States and introduced measures to improve the flexibility and skills of our labour force. We will contribute nearly \$1.7 billion to job creation and labour force adjustment this year. At the same time, we have tackled the federal government's longstanding financial mess.

The annual deficit has been reduced by about \$9.5 billion below its level in 1984-85. Our goal is to continue to reduce that deficit and, all being well, by the year 1994-95 we will eliminate the government's need to borrow from the market-place.

Let us talk about government spending for a moment. Some people have suggested that the government has not been serious about reducing its expenditures. When John Turner was the federal finance minister, growth in government spending averaged 20.2 per cent annually. Even in the last Liberal government, from 1980 to 1984, growth in government spending grew by 13.5 per cent. In the last five and one-half years under the present Minister of Finance we have held growth in program spending to below the rate of inflation, at 3.5 per cent. Over the past five years expenditure restraint has provided the largest share of deficit reduction.

If we look at it another way, relative to the size of the economy, program expenditures have fallen three percentage points over this period. They used to consume 19.5 per cent of gross domestic product. From 1984-85 to the present year they have dropped to 16.5 per cent.

If we had continued that wasteful spending attitude which the Liberals had in 1984, at the present rate, at the 19.5 level, we would be spending \$22 billion more this fiscal year than we actually are. In actual expenditures, this government in five and one-half years, has lowered the cost of government operations. Overhead on light, heat, wages, telephones and computers has fallen by 10