

reinforcing and lead to a return of a strong and sustained growth pattern in the country.

Together with the measures announced in December, the expenditure restraint measures in the budget will produce savings of \$3 billion in 1990-91 and almost \$4 billion in the following year. Total expenditure savings of over \$19 billion will be achieved over the next five years. As a result, the budget makes it possible to restore the deficit to its downward track, without an increase in taxes. Taxes will not go up.

The deficit will be reduced to \$28.5 billion in 1990-91 and cut in half to \$14 billion by 1993-94. By the following year, the deficit will be further reduced to \$10 billion. The operating surplus of revenues over program spending will, at that point, reach \$31 billion. Program spending will fall to 14.2 per cent of national income. That will be the lowest level since the late 1960s. The burden of debt will be reduced as the national debt shrinks relative to national income. The government will begin to be able to pay down its bonds and its treasury bills.

• (1710)

Our economic plan and the firm actions that we have taken in the budget as part of that plan have brought in a clear prospect of lower inflation and a steadily declining deficit. They will help ensure that the government's fiscal position in the 1990s can support the programs that Canadians value most. By persevering, we will attain the greatest control over our destiny and a greater ability to devote our resources to investments in a rising standard of living and a better quality of life for all Canadians.

Hon. Doug Lewis (Minister of Transport): Madam Speaker, I am pleased to have this opportunity to question my colleague.

I know that the economy is being discussed at many of the Liberal delegate selection meetings and I wonder if my hon. friend who is from Winnipeg South would be prepared to comment on the delegate selection meeting which took place yesterday. There has been an awful thing happen, Madam Speaker, and I know that you would share my dismay at this. The Liberal delegate selection meetings are stamping out freedom of speech. I am glad my hon. friend is here, because, according to a newspaper report, one Liberal MP, who happens to be in the House today, said:

Government Orders

"It is anything but a clean act," grumbled John Harvard (Winnipeg—St. James). "Look at this. It's a public forum. It's democracy—at least it's supposed to be."

My hon. friend is from Winnipeg and would have seen this deplorable thing happen in her own city. I am sure it is something that all Manitobans must be dismayed by and probably they will be leaving the party in droves. There are not many there, but they would be a drove if they all got together. I wonder if my hon. friend has any comments, within the context of the debate of course, about the dismay in which my hon. friend from Winnipeg—St. James finds himself.

Mrs. Dobbie: Madam Speaker, I thank my hon. friend, the minister, for his question. In fact, I did watch the debate yesterday. I was a little surprised at the lack of a clear-cut alternative that was presented by the opposition to any of the financial or fiscal measures that were put forward as questions by the moderator. In fact, when the questions were posed to all the members, there was a great deal of conflict over just what they would do in order to deal with the economic situation in Canada. Some were in favour of the GST. Some admitted that the GST had to go ahead because otherwise they did not have any alternative at all.

All agreed, I think, that the federal sales tax had to go. In fact, nobody had a clear-cut plan. One of the members thought perhaps a single tax was a good idea, but there was no clear-cut plan to deal with the economy or to deal with the fiscal problems of the country. Certainly, none of them had any idea at all and no concrete suggestion to make about how they might be able to bring down the deficit and deal with the debt. They did not get into anything half as complex as the question of interest rates because, unfortunately, I think the interest rates were a little over their head.

I must say that I was very surprised at the lack of plan, the lack of thinking, the lack of program shown by the Liberal leadership candidates and I think that bodes very badly for the future of the country.

Mr. Peter Milliken (Kingston and the Islands): Madam Speaker, the hon. member for Winnipeg South, in her usual eloquent way, has indicated that she has never had any suggestions from this side about reducing the deficit. I need only remind her of my suggestions that she fire half the cabinet. We have got too large a cabinet and we would save millions by doing that. She could also fire a