

Government Orders

In this context it is important to note that the Reform budget would not harm but might increase prosperity in employment. This is so because on the one hand the recommended spending cuts of 1.5 per cent of GDP are only one-half of the normal economic growth of the 3 per cent per year which was made famous by the red book. On the other hand, the lower interest rate and the restoration of confidence in the country's fiscal future which the Governor of the Bank of Canada talked about would stimulate demand more than that lost through the cuts.

The fourth reason for presenting our program is that the delay of spending cuts results in the accumulation of more debt, which in turn necessitates higher interest payments and even more cuts in program spending in the future. This is illustrated dramatically by the realization that in this fiscal year total government spending has remained unchanged from last year at \$120 billion in spite of cuts in program spending of \$11 billion. The cuts were eaten up by higher interest.

• (1225)

More dramatically, if the government had made serious cuts in the first budget early in 1994, as Reform had recommended, it could now announce a surplus at the end of its mandate without having to make further cuts. The country's debt would now be much lower and the level of program spending would not have to be reduced as much as it will have to be done even now.

This means ultimately the Liberal approach to balancing the budget will necessitate lower spending on social and other programs than does the Reform approach. Note the irony of it all, Liberal backbenchers. Note that the minister would not have had to do what he did in his report, announce the need to renege on red book promises on the maintenance of social spending and other programs so loved by Liberals who believe the government is a source of everything good in this world.

Let me quote one sentence, a hidden way of renegeing on the red book: "On these two central priorities, more jobs and more social programs, we would be less than candid today if we pretended that we are doing all we would like". Substitute "all we would like" for what they promised in the red book and we will see how in a sneaky way red book promises are being abandoned.

I have a comment on our proposed rate of spending cuts. Canadians are becoming cynical and discouraged. They have been hammered for years with talk about spending cuts. Every day they learn about more layoffs, reduced government services and higher taxes accompanied by reports that the deficit still adds millions to the debt every hour. No wonder they are worried and do not spend enough to create the economic boom we should have right now, so many years since the end of the recession.

All of our prosperity, all the job creation the Liberals are bragging about that took place since they took over were the result of a booming economy in the United States. All of our output growth was driven by exports. They were lucky.

People are not spending because they have no confidence. Canadians need confidence but they also need hope. They need to see light at the end of the tunnel. The failure to accommodate these aspirations of Canadians is perhaps the greatest shortcoming of the Liberal budget plan and one of the greatest strengths of the Reform alternative.

We offer a general reduction in the tax burden out of the revenue surplus which will be sure to materialize once the deficit monkey is off our backs. We are offering a lowering of the debt burden so that even more tax cuts can be enjoyed in future years.

We offer these tax cuts in the context of tax reform which would eliminate the abomination called the GST. We would offer hope for the young generation which will be burdened with this outrageous 75 per cent of GDP, \$600 billion or more of debt probably by the time the government gets through with its timid cuts, a trillion dollar debt and the interest on it.

I recently attended a conference on the future of our social security programs and the problems caused by the baby boomers. By the year 2030, some actuaries are saying, just to deliver on the already existing promises for old age security benefits, on medicare and on CPP we will need to raise \$50 billion. This \$50 billion will have to be raised by a generation that has fewer people of working age than we have right now.

They will need an increase in their personal income taxes by 50 per cent.

• (1230)

The young generation should be on the barricade. We have to work on the social security program we are leaving as a mandate to future generations. Another thing we can work on right now is that extra legacy, almost a trillion dollars worth of debt, and if we combine the provincial and the federal debt, that figure is easily reached. It will at least be that much if there is a recession, and then some of the other contingencies that witnesses have talked about will be realized.

It is one of the great hidden scandals that we in this House are borrowing and are forcing it on a yet unborn generation and young people who are too occupied with making a living. Our debt burden is the greatest in the history of this country and is one of the greatest in the history of the world. People who cannot vote are being asked to tax themselves so that we can live beyond our means.

No wonder we are getting rave reviews as being the greatest country in which to live. Any country can do that as long as it has credit and is prepared to borrow from as yet unborn generations. Live and blow it, have a great life for everyone. Get yourself a glowing report in the United Nations. It is okay that it is done on