

Government Orders

were like a dog that caught a car and did not know what to do with it, that traditional, proverbial story.

The Liberals talk about the fact that they put out a red book. The fact of the matter is that red book has so many generalities and political statements that are out of date and meaningless today that it is like the ostrich that has his head in the sand and does not look around at the true reality of life at a point in time. They stand up over and over again and say to us as Canadians that the red book states they are going to do this. They cannot bring themselves beyond the red book to try to create another idea or to recognize that the economy of Canada is something different than it was four or five years ago when the red book was written.

The minister of defence should certainly think about some of these things and take his responsibility when these kinds of things are before the House.

• (1040)

Here before us we have Bill C-59 which talks about tax increases. Most likely these were designed in the red book as well. Three or four years before they were introduced nobody looked at whether they were contemporary in nature or not or fit the circumstances. They do not.

Today in the 1994-95 budget there should not have been any increases in taxes or a greater imposition on the business community of this country which Bill C-59 does. It is the most disgusting thing that I have ever seen.

Here today we hear this ghost of the 1994-95 budget being brought into this House, the ghost that is going to haunt us as Canadians.

What has been the result of that kind of planning and that kind of responsibility that this Liberal Party has taken? What is the response? Yesterday we had the response to Canadians by Moody's from New York. It made a political interception into the economy of Canada and said very clearly to Canadians, said very clearly to the Minister of Finance, said very clearly to the Prime Minister they are going to bring forward a budget in 1995-96 that is absolutely inadequate and that Moody's is going to lower the credit rating of this country from an AAA to an AA.

This government is thinking five years ago about things it did five years ago. This government does not recognize that you cannot tax people more in this country. This government does not recognize that this target of 3 per cent that was set out in the red book is not a realistic figure in terms of the economy today. It is a political target that was set up by this government three or four years ago to move into an election. It cannot understand the stupidity of that projection at that time is only more stupid today. It is unrealistic in terms of this economy and the needs of this economy.

The government does not understand. The Liberal Party does not understand. The Prime Minister and Minister of Finance, who are key to where we go in Canada, key to our economic stability, key to job growth, key to economic growth, are blind to the facts of the current circumstances. They do not realize that they have to sit down with their colleagues in caucus and say that this liberal approach to government, this kind of soft, fuzzy decision making has to stop. They have to recognize that they have to eliminate the deficit in the next three or four years. They must do it within the term of this Parliament. They must say it in the 1995-96 budget that is going to come before us in about a month.

They have to say that to Canadians. They have to say that to the investment community. If they do not, what is going to happen? Yesterday was the best signal this government could ever have. The government has time to revise its plans. It was given a signal loud and clear. It has to come up with a plan to balance its budget, to bring the deficit to zero within the term of this Parliament. The dollar lowered yesterday some 47 points. We saw it lower again this morning. We saw the bonds affected significantly. We are going to see interest rates going up. They have already. We know what interests rates do to the cost of government.

Many of us have said this in this House and I feel it is a very reliable figure. Every 1 per cent increase in interest rates over a period of a year costs \$7 billion to this government and to us as Canadians. If we compound the interest into the second year it is something like \$2.3 billion with that 1 per cent interest rate. In the third year that 1 per cent interest rate means something like \$3.5 billion. Government members do not understand that. They were given a shock treatment yesterday that should have provided them with the best advice or the best favour ever. However what did they do? They do not listen.

• (1045)

As the Minister of Finance and the Prime Minister stand in question period today they will say they are going to hit their target in two years. Who cares? The target is stupid. The target is out of gear. The target is not even realistic. It is the most unrealistic thing I have ever heard in terms of today's economies.

Moody's is telling the government that its target is out of gear and inadequate. It is reported in the press. If all these people who read the paper in the morning to get their political advice read the *Financial Post* or the *Globe and Mail* this morning, they would have received some good advice on the implications of what the Liberals are doing or how they are acting.

I hope the government takes some time to listen. I hope it will revise some of these fuzzy liberal expenditure reductions that we will hear about at the end of the month. I hope it will reconsider some of the taxes to be imposed.