

Government Orders

What did Canada's chief financial officer do? He increased government spending by \$3.3 billion. He relied on increased revenues, taxes, to make up the difference in the spending hike, the exact opposite of what Canadians asked for. If he was not going to listen to what Canadians said, why then did he go through the sham and the expense of these hollow hearings?

Who were these Canadians who spoke out against increased spending and taxes? They were everyday Canadians who turned out at meetings across this country. They were small business owners and major corporations. They were organizations like the Vancouver Board of Trade, the British Columbia Chamber of Commerce, the Fraser Institute and the Canadian Taxpayers Federation. They were publications like *Maclean's*, the *Vancouver Sun*, the *Toronto Globe and Mail* and the *Financial Post*. They were economists and financial experts from across this country.

Even a member from the government side of the House was compelled to rise in defence of his own constituents. He pointed out to the Minister of Finance that if he had somehow heard Canadians state that they welcomed tax increases as he claimed they did, he did not hear it in the member's riding.

If the lenders looked at the CEO of the government, the Prime Minister, what would they see in terms of assurance, of the will and the expertise to bring the country out of its financial crisis? They would see a former Minister of Finance in whose hands the debt of this nation rose by 60 per cent during the two fiscal years he held that position.

During the week following the release of the 1994-95 budget figures the Prime Minister went on a national tour to sell this spending package. During an interview in Calgary in which it was very obvious the package was not selling well, the Prime Minister retorted that this was not a Tory budget nor a Reform budget nor an NDP budget; it was a Liberal budget. Of this there can be no doubt. It has always been the philosophy of the Liberal Party to tax and spend and in this it certainly has been true to its own philosophy. The question is can it work? The answer is a resounding no. The problem now is how do we get this point across to the main players of the government.

• (1540)

Let us suppose for a moment that these two people were mere mortals like the rest of us. Let us suppose they had a house with a mortgage, a car loan, children going to college who needed financial help. Let us suppose they had a paycheque with an ever decreasing disposable income and an economic future that held very little security. Can either of them honestly suggest that if they were in that situation they would support an increase in the very taxes that drained the lifeblood from them, their families and their future? I think not.

Would the Minister of Finance operate a company with the huge debt and interest payments this country has? Would he maintain inefficiency and duplication in that company by paying out more than required for various services and by expanding the company in areas that would lead to more debt without any increase in revenues or relief of the overall problem of the debt? Not very likely.

Why then is he offering this as a solution to the identical problems of this country? Why is he going to the Canadian taxpayers by way of their elected representatives and asking for the authority to begin this great spending plan by borrowing money for round one?

An explanation of the cause of this country's debt is not some great mystery like how they get the caramilk inside the chocolate bar. It is very simple for anyone who takes the trouble to look at the problem.

Canadians are looking at two problems: unemployment and debt. To solve these problems we have to decide if one causes the other and if so, which one to remove to solve the other.

If the government were to incur enough new debt to put every person in this country to work would that solve the debt problem? Of course it would not. If the country were able to get rid of its debt which is eating up our tax dollars and screaming ever louder for more would employment return? To answer that let us look at the unemployment problem and how it got so bad.

As this country's debt became larger and larger so did its appetite for tax dollars. When taxes go up, individual Canadians have less disposable income to spend on Canadian goods and services. At the same time when the taxes of Canadian companies go up, it is reflected in the price of their products. This makes it even harder for Canadians to purchase those products and also makes it difficult for these companies to compete with their international trading partners.

As a result, these companies have to shut down non-profitable sections of their operations and streamline the remaining operations. This results in the laying off of a great number of Canadian workers.

The solution then is to reduce the government's appetite for these tax dollars by reducing spending, balancing the budget and then working toward the reduction of taxes in this country. Simply put, this will provide individual Canadians with more disposable income with which to purchase Canadian goods and services. It will reduce the cost of these same Canadian goods and services and will make Canadian companies more competitive with their international trading partners.

It stands to reason if Canadian companies are able to market more products profitably they will expand and hire Canadians instead of closing down and laying Canadians off. Is this a