

That is not an avenue that the government should explore to raise funds in order to balance the books.

Growth in the economy is an area the Liberals look at through rose coloured glasses, hoping that there would be greater growth in the economy than actually happens. The downside of that is when the economy does not grow. In fact our deficit and debt has increased, it has not been reduced.

Going back to taxes for a moment, taxes right across Canada are counterproductive. The more taxes are increased, the more the underground economy is fuelled. As huge as it is now, it will only grow by any attempt at an additional tax grab.

The area that we have complete control over is spending. That is where the government missed with this budget. It did not go after the reductions in spending to get the books in balance so that there would be no new and increased taxes.

The government likes to say that it inherited the problem. I suggest that it initiated the problem. I go back to the years 1963 to 1984 when the debt rose from \$20 billion to just about \$200 billion when it left office.

Unfortunately, the Conservatives took office and in their years from 1984 to 1993 the debt increased from \$200 billion to some \$490 billion. It is interesting that some of the Bloc members today were actually sitting with the Conservative government and were allowing that debt hole to continue to go as deep as it did.

It is also interesting to recall that very little was done by government members when they were in opposition to support any of the attempts that were made to get spending under control. For them to say that they inherited the debt is not quite factual. They initiated the problem several years ago that put us in the mess we are in today.

In 1993 when the Liberals presented their first budget, they still had no idea of the magnitude of the problem. The message we got then was: "Be happy, don't worry. This deficit and debt are not serious. We are not going to do anything". In fact they did nothing.

I should not say that nothing was done but what was done was unbelievable in the short time after the budget. The Bloc was part of this. They gave in to the smugglers. They gave away \$350 million in taxes that Canadians could ill afford then and certainly could not afford today. That is aside from the additional health costs that are down the road because of that very foolish move on the part of the government.

What has been learned since is that the forecast of \$350 million, which should not have surprised us because they are not good with numbers, turned out to be something like \$800 or \$850 million. It cost nearly a billion dollars to give in to the bad guys, the smugglers. It is unbelievable given the fiscal position we are in.

Supply

What happened in 1994? We had an admission that the problem was serious. Now the finance minister is saying that this is a serious problem. It may even be life threatening. Unfortunately he does not have a solution.

• (1340)

They have some plans for these rolling targets. At the end of this first rolling target the government will still be overspending by \$25 billion a year and will be \$600 billion in debt. When it addresses the next budget it will be trying to shoehorn in \$52 billion in interest payments.

If members think this budget was difficult, try the next one, where the government will be trying to find a way to accommodate \$52 billion in interest payments without any significant cuts. I would suggest it cannot be done.

Canadians in every province want fiscal sanity in this place and that is not what Bill C-76 gave us. They are not looking for pie in the sky. They know what has to be done. They are looking for reality and they are prepared to support a government that will give it to them.

Let me speak for a moment on Bill C-88 concerning interprovincial trade barriers. It is a bill that could have meant a great deal to uniting the country but it missed the mark completely. It was a great opportunity to bring down the walls that are dividing us east to west.

In spite of the barriers there is about \$146 billion in trade between the provinces. It was the Canadian Manufacturers' Association that said those barriers are costing taxpayers \$6 billion and hundreds of thousands of jobs.

Canada can trade north-south with free trade but it still cannot trade east-west. Bill C-88 did nothing to really address that. It just touched lightly on some areas but did not get into the real meat of the barriers that are there.

Free trade is talked about as the salvation of Canada. If it was not for free trade, our exports would be in a much sadder condition than they are presently. Free trade was violently opposed by the current government when it was in opposition. Today it is proving to be its salvation.

The federal government has a responsibility for breaking down the barriers to interprovincial trade but it has abdicated the responsibility. Those walls must be broken down because those barriers are interfering with the interaction of governments and deterring the development of culture between the different provinces.

The provinces have always been able to negotiate bilateral trade agreements. As a matter of fact one was negotiated between Quebec and Ontario regarding the construction trades. Both provinces worked that out and it was a model which showed those things could be worked out across Canada.