

It says that maybe in 1996-97 the deficit can go down to \$19 billion, that the 3 per cent target is \$25 billion. If we get there then we are okay in Canada. That is not true. All we need is a bit of a recession and the \$25 billion deficit will start to balloon again up to \$25 billion, \$30 billion, \$40 billion, \$50 billion. What is the consequence?

The consequence is that we could add another \$100 billion very quickly to the accumulated debt of this country. It will not only be in 1996-97, \$603 billion as the Minister of Finance told us yesterday. Most likely by 1998-99 it could be \$700 billion. Where then is our interest cost and where is the economy of Canada? We are in a disastrous position.

• (1335)

This governments says do not worry, it is going to be okay, that it is going to come up with a plan to deal with it, it has two years of administration to do something. It has not done anything. In this House we wasted the fiscal year 1994-95 by a do nothing budget. This budget is not much better when we clear away some of the rhetoric that we heard. Do we know what the real expenditure reductions are—\$4.1 billion of expenditure reduction. It is heralding it as a great success.

By the time we reach the conclusion of this Parliament or the fiscal year 1996-97, that is not much of a start in dealing with the deficit. We are going to pay the consequences. The softer we are, the liberal approach that we are using is not going to work very well and Canadians are going to pay.

I want to make one more point in my last two minutes. Who pays for this? We are laying on our children and on the future generations of this country at least another \$100 billion in debt. That is a crime.

This government stands up here and says in this budget that it did not increase personal income tax. Think of the increase in personal income tax on our next generation. That is only a few years down the road. It will have to pay to pick up this accumulated debt. Think of the imposition that this government has laid on its shoulders, another \$100 billion which is its responsibility; not the Conservatives, which was the last government, it is its responsibility.

Think of the increase in personal income tax that is going to happen. Think of the corporations that will have to flee this country because they cannot pay the amount of taxes that will be imposed on them by, who knows, the next Liberal government or another government that has to come in and deal with the circumstances.

That is the crime in this budget. That is the absolute crime. Like never before we need a Reform budget, the taxpayers' budget, which said very clearly to Canadians that taxes should not be increased at this time. That is number one. Number two,

we must reduce the expenditures so that the deficit is brought to zero within a three-year period.

This is the responsibility that we should be taking in this House, not this soft hand approach that has been used and one that is leading us into terrible circumstances for the future generations of this country.

I think that has to be taken into consideration. If the government does not, it has to live with the crime. Its members have been the cowards not to deal with the problems that face them, and future generations will look back at this very difficult time that was not dealt with in a responsible way by this government.

**Mr. Julian Reed (Halton—Peel, Lib.):** Mr. Speaker, I am very curious to know what kind of discombobulated crystal ball my friend had that he looks into and is able to predict the future four or five years down the road.

I expect he predicted the decline of the Mexican peso. I suspect four years ago he predicted an anticipation of feared inflation in the United States which would raise interest rates.

I expect he must know the answer to when the budget will be balanced ultimately. The minister has taken a position, right or wrong, that he wanted to do it in two-year leaps, in two-year packages, for the simple reason that he had a better chance of predicting what was going to happen in that time.

As we all know, they did not all pan out the way they had been originally predicted. By what curious vision does my hon. friend express the question or bring the challenge to the government that somehow we should be able to say in  $x$  number of months or  $x$  number of years the budget will be ultimately balanced? My friend may be surprised that it may end up being balanced before both he and I expect.

• (1340)

I would like to know how he projects into the future in the way he seems to be doing.

**Mr. Speaker (Lethbridge):** Mr. Speaker, in all of the presentations we make, whether it is policy or pronouncements in this House, our whole objective is to look forward, not backward. Perhaps that is the difference between the Liberals and the Reform Party.

We all know that when we do forecasts there is a certain amount of risk. When we have the responsibility of government we have to make the best possible projects as we can.

It is obvious that this government is going to reach its 3 per cent of GDP and leave us with a \$25 billion deficit in 1996-97. That is obvious. I think it is going to do that. That is not a tough target. That is number one.

Number two is at that period of time we will have added, as I said, \$100 billion more to the accumulated debt. That is obvious and predictable.