

*Government Orders*

same government raised the premium rate from \$3.00 to \$3.07. Moreover, this Liberal government, by its own admission, eliminated 9,000 jobs on January 1 because of this increase in premiums for employers and employees. Is that not sufficient proof that the government's proposed reform is ineffective? And part of this reform is already in effect, to boot.

What does the government really want to do with this reform? Are all the facts that I have just given you not enough to prove that the proposed reform is not appropriate and that it will do more harm than good?

• (1215)

[English]

**Mr. Dick Harris (Prince George—Bulkley Valley):** Mr. Speaker, I am pleased to rise today to speak in the debate on Bill C-17. I might point out that although I have spoken many times during the questions and comments periods of the debate, I find it hard to believe this is my first speech in the House. I hope all the folks back home in Prince George—Bulkley Valley are watching today.

In my address today I am going to acknowledge some of the good points of the budget, which I think is appropriate. Our party is not here simply to criticize. Where credit is due we certainly will applaud.

Accordingly I must inform the House that in our opinion there are very few good points in the budget, so a great deal of this address will deal with many of the problems in the budget generally and the negative effects that we feel it is having and will continue to have on the economy of the country.

First, I congratulate the government on certain aspects of Bill C-17 which indicate at least some fleeting recognition of the necessity to curtail government spending within the public service and in the area of transfers to persons and provinces. For example, the government has extended an existing salary freeze for public service employees and has frozen the salaries of members of Parliament. I applaud that. The government has also frozen transfers to the provinces under the Canada assistance plan for the fiscal years 1994-95. As well, amendments to the unemployment insurance lengthening qualification times may encourage some firms to hire and may discourage the abuse of the system.

On that point, it possibly would have been appropriate if the government had looked at putting a hiring freeze on the public service sector as well and let attrition actually contribute to this effort to cut costs in the public service sector.

Clearly these actions could be representative of a step in the right direction. There is some indication that the government recognizes problems surrounding expenditures devoted to pub-

lic sector salaries, transfers to the provinces and social programs.

Unfortunately this is where the government's foray into the realm of reality ends. Despite repeated warnings from domestic and international investors there has been no significant reduction in government spending. Overall government spending has increased. The reaction of the markets in recent times reflects the government's continued neglect to address the financial problems of Canada in its recent budget.

On April 22, 1993, the present finance minister questioned the Conservative government on its budget. At that time he stated that the Conservative budget was a stop-gap budget that did not address Canada's real needs. I suggest to the Minister of Finance that perhaps he should apply his past comments to his recent budget. In so doing he may just come to an understanding as to why the financial markets have reacted in the way they have. Quite simply, the budget brought down by the Liberal government does not address Canada's real needs.

It is my opinion that the Liberals are on course to add \$100 billion to the national debt over the term of their mandate. The consequences of that will cause severe stress to our economy. Specifically it could translate into such excessive tax increases that the Canadian consumer will be left with a severely deflated disposable income and those who would invest in this country, the investors and the developers, would end up having a zero comfort zone.

Our standard of living and our way of life would begin to become dramatically downgraded. The people of the country could be transformed into minions of the state, simply working to feed the government and its insatiable spending habits.

• (1220)

Some forecasters predict that government growth could be the strongest among the G-7 countries in 1994. I believe industry is looking to the government for stability in politics and in taxation so that as a result of the forecast it may begin to develop this comfort zone and take any advantage it can of any upswing in the economy.

Unfortunately it is not the intention of the government to allow industry to have that comfort zone and it has been demonstrated in the recent budget. The government appears to be well on its way to being a major deterrent to economic recovery in Canada as a result of the budget. Nowhere is it more pronounced than in the budget.

It is the opinion of our party and of millions of Canadians that we need serious cuts in federal spending if we are ever to transform Canada into an attractive country for investors. As well we need serious cuts in government spending and some clear indication that the government is getting its financial