

Supply

to over \$1.2 trillion. This debt is ever increasing and causes us to pay increasing amounts of interest from the public purse on this.

• (1520)

The government takes in about \$120 billion every year and spends about \$160 billion which means a deficit of about \$40 billion. It is interesting because this amount is actually the amount of interest we borrow every year to pay on our debt. The government also spends out of this \$40 billion on government services and about \$80 billion on social programs.

As the debt increases we have larger interest payments to make which must come from one of two sources, either increased taxes or a boost in the economy. The increased taxes will either come from companies or from individuals.

If you are an individual it decreases your ability to spend money which has a downward effect on the economy. Similarly, if members speak to businesses in their communities they will find they cannot hire more people, they cannot do more research, they cannot do any more development, they cannot expand. Therefore it has a depressing and downward effect on the economy.

The citizens of Canada have sent a clear message to every member of Parliament: No new taxes; get the economic house in order; and make the necessary cuts in expenditures to do this because our taxes are already too high.

The government has said it will cut expenditures to 3 per cent of GDP, but I submit this is an element of intellectual dishonesty. This comes from the Maastricht negotiations where it was said that the combined amounts should be 3 per cent of the net debt, not the federal debt, but the accumulated debt which in this country is over \$1 trillion.

If we adhere to what this government wishes to do, over a period of three years we will add at least \$100 billion to the debt and further increase the amount of interest payments we have to make every year.

Even if we balance the budget, and we should look at the New Zealand experiment, there will be no change in interest payments over the short term and these expenditures will continue, but we do not have a choice in the matter. If we look at New Zealand now, some 10 years after its economic downturn, we see a country that is booming, a country that has one of the most aggressive and positive economies in the world. The reason it did this was because it was forced to the wall to get its economic house in order.

We do not necessarily want to go the way of New Zealand. We do not want a solution foisted upon us from outside the country by the international financial institutions. We would like to have a made in Canada solution, a solution which makes cuts that are sensitive and sensible without affecting the poorest of the poor

in order to save the core of our social programs and to keep the economy we have come to know.

Our role in opposition is not to continually criticize, as the member from the other party mentioned just a few minutes ago. We have put forth a constructive and specific program to this government on how and where to make the necessary decreases in government expenditures. In other words, we have put forward constructive alternatives which very few opposition parties in the history of Parliament have ever done.

Initially, our financial group looked at government operations and removed \$10 billion from that. Further, it decided to make cuts of \$15 billion to \$18 billion from social programs. The rest we would need in order to balance the budget would come from a 3 per cent growth in the economy.

Contrary to what has been put forward in the media, we are not a slash and burn party. Rather we are putting forth constructive and sensitive cuts in order to preserve the core of social programs in order to minimize the effect it will have on those who are most disadvantaged in our society.

Be aware that if we do not make these necessary changes now while we are in an economic upturn, we will have to do it in an economic downturn. That, my colleagues, will be one which is going to affect those who are least advantaged the most.

• (1525)

As I said before, our financial group has put forth a very constructive and specific plan in making these decreases to expenditures. The first priority is that we in this House must set an example. As a result of that we say: Let us make the cuts from the top first.

First we spoke about revamping MP pension plans and time and time again we have presented to this government specific ways in which to do that.

We have also advocated a 15 per cent cut to our budgets and eliminating excessive travel by members of Parliament. Just as an aside, each of us in this House can actually do this. In my office we found that by booking early and looking for deals we have decreased the amount of travel expenditures by 60 per cent from the average MP. If we all did this, it would be a considerable saving to the taxpayer.

We also say in this party that we must prioritize the funding to ensure that those aspects of government that are essential, that is, health care, education and law enforcement, are of the highest priority in terms of spending. We must also decrease duplication between the federal and provincial governments for savings of roughly \$3.5 billion.

Some examples are eliminating the Official Languages Act which would save \$310 million, to such things as eliminating official multiculturalism. Just as an aside I would like to say that this policy is one of the most divisive policies in the country.