

*Government Orders*

Certainly cuts could have been made in other areas. Let me set aside my prepared speech to give you statistics I just received this morning.

Where could more cuts have been made? We, Bloc members, often suggested National Defence. In DND estimates, astronomical amounts could have been saved in forecasting errors alone. For example, \$2.8 billion are supposed to be cut over the next three years. Our estimation was that \$5 billion could be cut, but DND said this was impossible. The fact is that these forecasts were wrong, and here is why.

Take the closure of the base in Portage la Prairie for example. Savings of \$411 million were expected, when in actual fact only \$170 million was saved. A \$241 million shortfall.

With respect to space training, we were told that the cost of basic training was \$200,000 per student, when the actual cost is \$700,000, or \$500,000 more per student. They make this kind of forecasting errors and come and tell us that they will be able to save \$2.8 billion. We cannot be sure of that, Mr. Speaker. There will be more unforeseen deficits.

Improving housekeeping in DND and several other departments would be one way of making funds available for research, research being the seed of successful new products that would promote rapid growth.

We will have a chance to pursue this at a later time.

• (1055)

For now, I suggest that these new statistics should give both the department and the government food for thought. The minister should go back to his drawing board, his operation table, his computations and come back with another set of estimates. This way, perhaps we will be able to see more eye to eye with the government in a few months.

[English]

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, I am glad to have the opportunity to speak to Bill C-76, the budget implementation act.

My Reform colleagues have already addressed the various components of the bill. I would like to broaden the focus and look at the budget as a whole. I want to go through the Liberal government's what I call smoke and mirrors show or budget and show Canadians exactly what was cut in the budget and where it was cut.

Members of the government are misleading the people of Canada in several very important aspects. They are being dishonest in selling the budget. To date they have got away with it. Unfortunately Canadians have not recognized what has happened.

Today I will expose two blatant mistruths I believe are in the Liberal budget and have not been clearly defined to Canadians.

Canadians have been led to believe this was a tough budget which cut spending some \$25 billion and that provinces got off easy relative to the cuts the government made in its own backyard.

Reform announced its plan to balance the budget by 1998. We told Canadians in order to do this we would have to reduce spending by some \$25 billion, \$15 billion of which would come from social program spending.

What was the Liberal reaction to this? The Prime Minister said such a plan would throw Canadians into a deep recession or perhaps a depression. The finance minister called it fiscal savagery and said our plan would gut the nation's social programs. The Minister of Human Resources Development said we would be blow torching the poor.

One week later the Liberals released their budget. On page 65 it says expenditure reductions due specifically to the actions in the budget total \$4.1 billion in 1995-96, \$9.3 billion in 1996-97 and \$11.9 billion in 1997-98. In other words, \$25.3 billion would be in spending cuts.

Clearly there is some double talk. When Reform proposes \$25 billion in fiscal spending cuts it is fiscal savagery which will hurl the country into depression and throw widows and orphans out on the streets. When the government makes the same proposal it is acting in the best interest of Canadians. It is acting in the best interest of the country. It is being tough but it is being fair. Cutting the deficit is said to increase economic growth in the long run.

The government is not completely hypocritical when it is doing this. It does not actually cut \$25.3 billion. It wants the financial markets to believe this, especially Moody's which is still trying to decide whether to downgrade Canada's credit rating.

The truth is these are \$25 billion in what I call make believe cuts. They are cuts to money that was never spent and will not be spent. The Liberal budget makes real spending cuts of only \$15 billion. This explains why Reform Party's \$25 billion in cuts in the taxpayers' budget will eliminate the deficit in three years and why the Liberal budget will leave us with \$24 billion of deficit. Clearly the budget was not as tough as the government would have us believe it was.

• (1100)

The second mistruth is that government cuts in its own backyard first and does not offload its deficit problems on to the provinces. Is that true or not? Let us look at it.

It says this on page 65 of the Budget Plan:

The expenditure cuts fall primarily on federal government operations, rather than transfers to provinces or to households—demonstrating that the government's priority has been to get its own house in order first.

Let us look at that statement. Is this true? Do the provinces get off lightly in comparison to other cuts in the budget? The answer