

Government Orders

replaces the current one, it could be amended by this current Conservative government itself.

• (1040)

By the way, a few weeks ago the Minister of Finance admitted he was out \$1.5 billion in his projections for the government's deficit for this year alone and said he was freezing all discretionary spending for the balance of this year to March 31 in the amount of some \$200 million. He did not say he wished to do this, but he lacked the authority. He said the government was doing it. No public servant and no member of the public affected by this decision will doubt that this discretionary spending is frozen and no legislation was necessary to accomplish this.

If this legislation before the House for second reading is intended by this government to be taken seriously, if it has a serious purpose, then what is behind it? What does the government really have in mind. It could well be an attempt by this discredited Conservative government to try to impose its equally discredited right wing agenda on a subsequent government after the next election.

It is hardly likely the Canadian people will elect this government again after what they have seen of it, especially since the election of 1988. They have seen the effects of the free trade deal, the GST, the government's high interest rate and high dollar policies, its cutbacks in health, education and research and development, its negative impact on the CBC, VIA Rail and Canada Post; the government's unravelling of the very fabric of this country.

This bill is to apply for five years starting in fiscal year 1991-92. This is well after the life of this Parliament, well after when there has to be an election.

Why should a new government elected by the people who, in doing so, reject the policies of this government, have to live within the exact fiscal framework created by this government to carry out its own discredited policies?

This government, in a desperate attempt to try to win back public support, could spend money beyond the limits for each year set out in the bill. The bill says the government has to make up such overspending in one year by cutting back over the following two years.

If this bill is intended to have real impact it would mean a new government, elected as I said by Canadians

who have categorically rejected the current one, would be unable to proceed with the programs for which it was elected. It would be unable to move immediately to carry out those priorities. It would have to cut back to make up for the overspending by this government, carried out in an attempt to win back the support of Canadians in a run-up to the election.

Of course a new government could amend the legislation, but if this can be done let me ask again: What is the point of the legislation? What is the point of proposing this bill whose life goes beyond the life of this Parliament? As I have said, it covers a five year period. In presenting it, the government assumes its forecasts of government revenue, as well as its forecasts of the expenditures that would take place under its current programs, would be accurate. It also assumes that its forecasts of the state of the economy, as long as five years hence, would be accurate.

This government has shown a great deal of weakness when it comes to the accuracy of its economic forecasts, as demonstrated by the admission of the Minister of Finance in recent months and weeks how wrong he was about the level of unemployment and how wrong he was about the extent to which the economy would go into recession and the pace and timing of the recovery from that recession and the size of the government's deficit for the current fiscal year. If this government's forecasts are wrong, then the assumptions, the foundations on which the bill is based, will also be wrong and out of kilter and this bill could well harm the future growth and development of our economy.

The finance committee in its report on the proposed bill recognized this in one of its key recommendations. On page 25, the committee said, and I quote:

The spending control act should be subject to being suspended by vote of Parliament during a period of economic downturn or recession or upon presentation by the Minister of Finance of a projection of such recession or downturn.

Nothing like this appears in the bill before us. In fact, this recommendation has been rejected by the government.

We note there are exclusions from the controls and spending limits set out in the bill. One is the management of the public debt and its expenditure to meet the cost of borrowing. Another involves four self-financing programs, unemployment insurance and three others