

Government Orders

The same month that President Clinton signed the biggest tax increase in history for the American people, Governor John Ingler signed the biggest decrease in Michigan history, bringing the lowest unemployment rate to Michigan in 20 years.

New Zealand has also had similar results from its program of massive cuts to government spending at the same time that the tax system was revised and taxes were reduced.

The proof is there. Zero in three actually works. These examples show that the very best way to put more money into the hands of the poor, of families, of businesses and of everyone is to cut spending and taxes. Tax cuts and spending cuts make it easier for people to buy a home and to improve their standard of living. Things work better when people make their own spending decisions instead of having their spending decisions made by good, old Uncle Liberal government back here in Ottawa.

There is nothing moral, compassionate or virtuous about increasing taxes. I will say that again in case any members opposite were sleeping. There is nothing compassionate, virtuous or moral about increasing taxes. High taxes punish those people who are the most productive in our society. High taxes are a symptom of a government's failure, incompetence and inability to recognize the damage that those high taxes are doing to society.

Even some Liberals have come to realize something is wrong. They realize there is too much crime, too much family violence, too much poverty and too high a debt. Some are even starting to realize that the biggest single social program is the transfer of all that interest payment to the creditors of Canada's debt every year. That is one social program that is still growing.

The government has not realized yet that Liberal policies have caused these problems and these problems will not be solved by throwing even more government money, especially borrowed money, at those problems.

I heard another member talking about compassion earlier. Compassion is something one cannot buy. It is something that comes from within. One does not buy it by throwing dollars at a problem.

• (1655)

I would like to change tack a little and relate a little more about my experience in New Zealand over the Christmas break. I was in New Zealand visiting relatives and I had the opportunity to meet for an hour and a half with the Right Hon. David Lange, who was Prime Minister of New Zealand at the time of the debt crisis in 1984.

I would have laughed if anyone had told me a decade ago I would one day sit with a Labour minister of finance and actually enjoy speaking to him. I came away from the meeting with a great deal of respect for a man who has faced the debt monster,

came to grips with it and realized that a free market economy is the best way to deliver healthy social programs.

Mr. Lange said: "We have passed through the age of left and right wing governments to a time where we have maintenance and reforming style governments". Those are the terms we should be using today. This new set of labels put into words a concept I have been struggling with for some time because I knew despite the accusations of the other side of the House, the Reform Party is not a crazy right wing party. We are not either right or left wing.

I will use an example. The members opposite can jeer. I use the example of the 1992 referendum on the Charlottetown accord when all three traditional parties; the NDP, the PCs and the Liberals lined up on the yes side and Reform on the no side. Does that make us left or right? Which one? Neither. It made the three traditional old line parties maintenance style parties. They did not want to change the status quo. We were the reformers, the ones that wanted to change the status quo, make the necessary changes.

Mr. Lange's Labour left wing government became a reforming style government when it had to face the debt monster. During the period following that debt crisis from 1984 to 1994 the National and Labour parties took turns in office, but they were all reforming governments. They continued the program of government spending cuts and tax decreases to generate the necessary stimulus to the economy.

Today New Zealand has a maintenance style of government, National by name, which has projected a \$2.5 billion surplus for this year. Last year they had a \$900 million surplus and put \$800 million more into social programs because of it.

Mr. Lange predicts that New Zealand will have a maintenance style government for the next decade. Unemployment is down to 6.5 per cent and the economy is growing at an annual rate of 6 per cent.

I can see the puzzled looks on the faces of the Liberals. "Please tell me it is not so", they are saying. "Please do not say that the private sector actually creates jobs. Please do not tell us it is better if government is smaller and that it makes spending cuts". Mr. Lange told me that the Canadian Liberal Party is a maintenance style of government. It is just used to keeping things running when things are good and if Canada had to face its problems it needs a reforming style of government to do it.

Mr. Lange also told me in retrospect he wished he had moved faster on the cuts because it was so stimulating to the economy. A decade later, New Zealand has a diversified, free market economy competing in the global marketplace. Exports now include plastic bottles to Japan; wooden boxes to the U.S.A., mozzarella cheese and hamburger beef to Canada; furniture to Singapore; metal castings to Taiwan; aircraft parts to Boeing in Seattle. The free market economy will solve our problems. We should not be borrowing more money. We should be cutting spending.