

Government Orders

problem. It is a concern to all of us. It certainly should be even more of a concern to the government side.

If that is the problem, and I believe the problem is what I have described, we are going to pass this problem on to successive generations. What can we possibly do to control the deficit? What can we do to bring under control the year to year deficit so that this borrowing authority that we are debating today will no longer be necessary?

We are not without examples of what can be done even within the Canadian jurisdiction, leaving New Zealand out of it for a moment. I know that is often bandied about. Within the Canadian jurisdiction there have been some examples of what can be done to control excessive spending by governments.

We have an example from Alberta in which the provincial government has grabbed the bull by the horns. If I may use a western expression, and has said that enough is enough, we can no longer afford to continue to spend and tax and spend, and expect to maintain services and a business environment that will assure prosperity in the future.

The premier of Alberta did the unthinkable in Canadian politics. He decided to get tough with some spending, and indeed he did get tough. Some people have done analyses on this and have suggested that if the federal government were to exercise as many spending cuts as the Alberta government proportionately, then it would have to slice \$19 billion from its spending just to match the precedent set by Premier Klein in his budget. I am not saying Premier Klein's budget is perfect, but I use that as an example to show that it is possible to realize the severity of the problem. It is possible to reduce one's spending in real terms. It is possible to offer a light at the end of the tunnel for those Canadians concerned about the size of deficits, debts and the borrowing that is associated with it.

• (1650)

Of all things, and I never thought I would say this, there is even an example in my own province of British Columbia. I hate to think that the federal government cannot match an NDP budget, but the B.C. budget brought down yesterday announces tax cuts of \$112 million. It will reduce its deficit this year to \$189 million which is a tremendous step in the right direction for a government not known for its fiscal responsibility. It is offering certain tangible benefits to businesses and some of that famous light at the end of that famous tunnel.

For example, the Vancouver international airport, which is competing as all of B.C. must for Pacific rim business, is a big winner. The jet fuel taxes are being rolled back one cent to four cents a litre. Air cargo gets another boost. Last year's budget removed fuel taxes from cargo carriers altogether. There are ways to help businesses, consumers and people who are concerned about taxes, deficits and everything that just seems to snowball together. We can specifically reduce spending and by

reducing that spending we can offer tax breaks to businesses, consumers and people on fixed incomes.

For instance, in the B.C. budget there were the mining tax breaks estimated to be worth \$18 million. This is unprecedented in B.C. recent budgetary history. The people are concerned about increased taxes, increased borrowing and the never ending spiral of hopelessness that involves. Now that the government has seen the light, if I can use that expression again, it has actually reduced taxes in specific areas to help businesses help themselves. These businesses are not going to receive a grant, a handout, regional development aid or anything else. These businesses are going to receive tax breaks which is all that businesses require.

How many times have we heard small and medium sized businesses say that all they ask of government is to get out of their way and get off their backs so they can get on doing the job that they do best which is create jobs for Canadians?

As I said, I did not know that I would ever compliment the B.C. government on its ability to bring in a budget, but I am now going to be totally complimentary to it either. The B.C. budget also brought in some total budgetary spending increases of 3.5 per cent.

What would have happened in B.C. if instead of bringing in increased budgetary spending it had brought in a zero increase in budgetary spending? All of the similar cuts that I talked about earlier could have gone on. The cuts in overall taxation levels could have gone on. The reduction in the taxation for jet fuel and so on and so forth could have gone on. What if, instead of increasing the spending in other areas by 3.5 per cent, the B.C. government had brought in a zero increase budget? Instead of predicting a balanced budget by 1997 it could have brought in a balanced budget within its term, within the next year or two. That would have been a tremendous feather in its cap and may have turned the tide in the popularity contest which it seems to be losing at the current time.

Those are precedents that are within the Canadian round. If the federal government had brought in a zero increase budget and had just held flat at \$160 billion, which is incredible as it is, but even if it had brought in that much without an extra \$3 billion or \$4 billion in spending, then this government I think would have been perceived by the Canadian people as being serious about addressing what may be a crisis problem of deficits, debt and borrowing.

• (1655)

My riding extends from Boston Bar, which is pre-riding boundary adjustment time, in the north which is basically a one industry town, a lumber town that derives almost its entire economic activity from the forestry industry. It extends down through Hope which starts to diversify a little. There is some mining and basically a lot more forestry activity and a lot of tourism. It extends down through the Chilliwack area where I live and where we diversify into agriculture and again lumbering and forestry continue to be important. There is a Canadian