

Government Orders

simplistic solution? Of course it is, but it is the only one that will work.

Maybe part of the problem is that everyone wants to find some complex, earth shattering solution which puts their own personal stamp on the recovery. The real solution does not belong to any one party or person. It is a matter of facing reality and reversing the disastrous actions of the past. Maybe then Canadians would not be so reluctant to approve temporary borrowing authority.

What we should do is take an honest look at how we got into our current financial mess. In the past the vote of Canadians has been for sale and the politicians of the past have bought that vote.

They bought it with overly generous social spending; not overly generous for those in need but overly generous for those not in need. They bought it with subsidies to business; not all business, only specially selected businesses that were in a position to aid the politicians or parties providing the grants. They bought it with subsidies to crown corporations in answer to special interest groups. They bought it with grants to those same special interest groups instead of requiring them to get their funding from those they claimed to represent. They bought it from rich or politically well connected individuals with promises of plum patronage appointments. Then they made good on those appointments.

Why would anyone act in a manner that is so detrimental to the needs of all Canadians?

● (1545)

In the politics of the past, with exceptions, there have been two rules. The first is to get elected and the second is to stay elected. Nothing else mattered. Now we have to pay the price. We have run up a debt of over half a trillion dollars and we are increasing that debt by \$1 million every 12 minutes.

If government members want to restore public confidence in them and get the country on its feet, they must alter the budget by reducing the government's spending and balancing the budget within the term of the 35th Parliament of Canada.

The country will balance its budget and start paying off its huge debt in the foreseeable future. That is not in question. What is in question is the manner in which it will be done. We can choose to start now selecting the methods and speed with which we implement the program of financial responsibility, or we can wait as New Zealand did and have someone else make those decisions for us. Some might scoff at the idea of comparing ourselves with New Zealand and they would be right. The truth of the matter is that we are now much worse off financially than

New Zealand was when it was forced to deal with its financial crisis.

Could the government have made a significant reduction in spending in its first budget in 10 years? I bet it could and I suspect more than one of its members would like to follow that course of action.

The areas in which the government could have reduced spending in its budget are numerous. I will list but a few examples of what could have been accomplished. Budget cuts in government operations will save \$470 million. A reduction of 15 per cent of non-salaried overhead is achievable and would save \$1.25 billion and the elimination of low priority government functions would save hundreds of millions more.

The budget reduced business subsidies by \$120 million. Business subsidies are selective and available only to the chosen few. It would be far better off to eliminate all subsidies totalling up to \$5 billion and work toward general tax deductions instead. If this had been done, the elimination of the capital gains exemption and tax increases on medium sized Canadian businesses would not have been necessary and job creation would have been stimulated, not discouraged. Instead of spending money to study funding of special interest groups, it could cut that funding, saving half a billion dollars a year.

Reductions of supplements for senior citizens who have a higher than average income is not an unreasonable concept, but the government should have looked at family income rather than at individual income. An income of \$26,000 a year is not particularly high, but if a couple has \$52,000 a year income a reduction of non-contributory income or credits is not unreasonable. In that area refocusing of the old age pension on people with family income below \$54,000 a year would save \$3.5 billion. A 25 per cent reduction in the subsidy of crown corporations would save \$1.25 billion a year.

The government knows well that we have many other spending reduction proposals. I am sure it has many in mind. The few I have listed would have resulted in a reduction of this year's deficit by \$10.5 billion. If the government complemented that by eliminating the spending increases in the budget, we would have had a deficit this year of approximately \$26 billion. Had the government followed this course of action, I believe it would have won the approval of an overwhelming majority of taxpayers and I would have been able to support Bill C-14.

It is not too late. If the government is now ready to accept the \$153 billion spending cap proposed by the Reform Party in the throne speech debate, I would be pleased to support the government's bill to borrow money for necessary spending.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I congratulate the member on his maiden speech. I enjoyed it. I