

Government Orders

tens of billions of dollars at unknown interest rates, apparently ever on the increase, and the effect that is going to have on the government's budgetary predictions.

I wonder if the member from Swift Current would comment on yesterday's announcement of the three-quarter per cent jump in the Canadian prime and the effect he feels this will have on the government's budgetary predictions.

Mr. Morrison: Mr. Speaker, we asked the Minister of Finance this morning to address that very question. We did not get an answer. My own interpretation is that it will probably cost about an extra \$1.5 billion a year if this current increase continues.

What I am more afraid of is that this is the shape of things to come and that we are going to have another spurt of interest rate increases. As our bond ratings are downgraded and as foreign investors begin to look more and more unkindly on us, we could very easily see 8 per cent interest rates by the end of this year. Then watch the deficit roll.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, it is a pleasure to speak again on this bill. I spoke at second reading. I raised some concerns at that time, concerns that have been expressed to me not only in post budget days but during the lead-up and the entire campaign period last fall, even during the time I was nominated before I entered into the campaign mode.

This whole issue of deficit financing, the national debt, having to borrow and the fact that we are placing not only this nation and ourselves into a tremendous debt hole but are asking our children to try to dig us back out is an issue for which many of us in the Reform Party have become standard bearers.

One of the major concerns that brought the Reform Party into being was the fact that the fiscal mismanagement of successive federal governments has placed us in an untenable position for which we will be paying for generations.

When I first sought the nomination for Fraser Valley East the size of the deficit was forecast as perhaps going as high as \$30 billion. This was a couple of years ago. At the time I have to admit it was the last straw that catapulted me into the federal election arena. Just the thought that I was going to saddle the nation with a deficit of \$30 billion was more than I could stand. I am not sure whether there was a national uproar, but in my area it was such a concern that many of us joined the Reform Party and said that we would try to do something to turn the tide so that our children would not be adversely affected.

Thirty billion dollars is looking better every day. We are approaching a \$45 billion deficit. By the government's own admission the best that it can hope for this year is in excess of \$40 billion. Every day that the interest rate fluctuates or the

dollar drops or the Minister of Finance has some musings, it changes the rates and the figures once again.

● (1645)

It was a real concern at \$30 billion. Now that it is \$40 billion or \$45 billion, depending on who one wants to believe, it is even more of a concern. I would suggest it has gone from a concern to a pending and possibly imminent disaster.

Since it is bad and is getting worse we should describe, as the member did previously I think a little bit, the size of the debt and what it will mean to Canadians in the years to come. The debt is in excess of \$500 billion, depending on the figures that were bandied about here a little bit earlier. Whether it is \$16,000 per person or whatever, that only shows part of the picture. The other half of the picture, of course, is the added debt from the provinces, because there is only one taxpayer. Canadians are going to have to finance somehow by increased taxes, increased deficit, and more and more of these types of bills, borrowing authority acts, in all legislatures and Parliaments and that will continue to add to this burden for successive generations.

The deficit, which is a year to year accumulation of the shortfall in the revenues from expenditures, is going to be at least \$40 billion this year. That alone is going to add increased burdens on all the people who can least afford it. I seldom see people worth \$10 million or \$20 million running for cover when these figures are bandied about. What bothers me and concerns me the most is that the people who are least able to shoulder this type of load, those on fixed incomes, the people who are relying on a government pension that they have faithfully paid into and expect to reap some benefit from, the people who are needing some temporary help from a temporary loss of employment through a UI program, no matter how it is revised, will have to pay the price and pay increased taxes and will in the long run experience decreased services.

I have a lot of concerns about that. These concerns have not gone away since I have come to Parliament. Over the last couple of months the concerns I think have been exacerbated by the signals being sent from the government side of the House.

It seems there is no concept of fiscal restraint. The budget papers states: "We will no longer nibble around the edges and just fuss with the minor details of the budget. This budget contains real cutbacks". That is what the government would have us believe. When I turn the page I see that the total expenditures of the federal government have increased from \$160 billion to \$163 billion.

How is that a cutback? It is not a cutback. It is increased spending. Our borrowing has increased, our taxes inevitably will go up, and our service inevitably will go down. That is a