

*Government Orders*

I recall speaking in the B.C. legislature, criticizing the government of the day for borrowing from abroad and reminding them of a speech that the finance minister of British Columbia, the Hon. Herbert Anscombe, had made almost 50 years ago when he was cautioning the province of British Columbia and Canadian governments in general about borrowing abroad. Some day those loans have to be paid, not with Canadian dollars, but with Canadian goods. We have to some day export more than we are importing or we will never catch up. The foreign debt is bound to increase unless we start exporting more and importing less.

Increasing the value of the Canadian dollar, which is a direct result of increases in interest rates, means that we borrow more abroad, and we are doing that steadily these days. That, too, is borrowing trouble for the future.

I mentioned earlier that the Governor of the Bank of Canada, who by his own admission has failed in his attempt to get to zero inflation, was granted a 35 per cent increase in salary over a period of three years. And he is asking Canadians to hold the line.

The executives of CNR were given an average increase of 18.7 per cent in one year, and they are asking their employees to hold the line. As a matter of fact they used the power of Parliament to ensure that their employees would get an increase in one year of 4.5 per cent. That is good enough for the people who are doing the work, and the people looking and watching over them got 18.7 per cent in one year. And they have the nerve to ask people to hold the line and be careful.

The Minister of Finance said something to the effect that it was Canada's policies during the late 1970s and early 1980s that led us into the recession of 1982-83. I do not know where the minister was at that time, but it may be news for him that Canada was not the only country in the world that suffered a recession in that period. Every country in the western world at least suffered a severe recession in that period.

It was not Canada's policy to drag the rest of the western world into the mire of a recession. Certainly it was economic policies and every one of the countries was following similar economic policies, but we were not in trouble here because of something we did in Canada. We were in trouble in British Columbia because the Ameri-

cans quit building houses and they were not buying our lumber. We were in trouble in Ontario because they were not building the automobiles they used to build and we were not selling them automobile parts. We were in trouble in the east because they were not buying our minerals and the lumber, the pulp, the newsprint, the paper. We live on our exports, and our exports were severely curtailed during that period because our customers were not buying. It had absolutely nothing to do with what we were doing here in Canada.

Certainly, we could have done better for ourselves in Canada than we did, but the severe recession that we had was brought on by the western world-wide recession. Now we are heading down the same road. The Governor of the Bank of Canada and the Minister of Finance seem to feel that that is the route for us to go. "Let's make things so bad that whatever happens people will think they are better off than they were yesterday."

The Minister of Finance estimated in his budget that the interest rate would be 11 per cent this year. I wonder if he remembers that these days. The last figure for the Bank of Canada as I recall was 13.77 per cent. It is understandable that inflation will result from the imposition of the GST which is scheduled to come on line January 1, 1991. The government wants to curtail as much as it can any attempts by workers to keep even with inflation.

In general, that has not been happening in recent years, except for the workers at the very top. They have been doing very well, but the workers on the production line have not been keeping up with inflation. Mr. Crow and the Minister of Finance want to keep them down further. That is not the way to prosperity in Canada. We should not increase unemployment.

I mentioned earlier where free trade comes into it. One of the reasons the New Democrats did so well in British Columbia, and especially on Vancouver Island, was that we talked about free trade. We said that one of the main reasons for going into the free trade deal, the Mulroney-Reagan deal, was to improve the U.S. trade balance.

The U.S. was in a tremendous deficit position with respect to Canada. It was importing far more from us than it was selling to us, and it did not like that. The U.S.