

Supply

and it is happening once again in the 1990s with the Conservative Party.

There are a number of things we can do about this kind of legacy. There may be some areas where there have to be some cutbacks in terms of oversizing of government agencies and departments. That is not the main way to go about debt control in this country.

There may also be some waste. I think of the millions of dollars spent on government advertising. There are millions of dollars spent on polling by the government across the way.

I ask my friend from Calgary whether she supports that kind of spending. Compare the spending on polling and advertising now to a government eight, ten, fifteen or twenty years ago and you will see a tremendous increase in polling and advertising by the federal government. I think that is wasteful.

The other problem is the question of priorities. Why spend \$5.8 billion over 14 years on helicopters we do not need?

Mrs. Sparrow: We need them.

Mr. Nystrom: We do not need to spend \$5.8 billion on those helicopters today. That is a question of priorities. We can spend that money on job creation, economic development, training people, child care and things of that sort.

Mr. McDermid: That creates 43,000 jobs.

Mr. Nystrom: Sure you create jobs. You create jobs by spending in certain areas like helicopters but you can create a lot more jobs by putting that money into a national child care program which was promised by the Conservative Party in 1988. It made a promise and broke the promise. It is on the record. That is the legacy of the Conservative Party of Canada.

Another reason we have a tremendous debt in this country is the whole question of interest rates.

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For years the Conservative Party practised a tight money policy that kept our bank rate much higher than the bank rate in the United States. My friends across the way know that. For many years our bank rate for short

term interest rates in this country was 2 per cent, 3 per cent, 4 per cent or even 5 per cent higher than the American bank rate. Because of that we have a tremendous deficit today that otherwise we would not have.

In fact a document was released at a press conference only a few minutes ago in this building. The government quotes Professor Ernie Stokes in the document who in a recent article in *Canadian Business Economics* said: "If we had a 2 per cent gap between Canadian short-term interest rates and U.S. short-term interest rates the projected federal deficit for 1993-94 would be \$4 billion not \$34 billion, a savings of some \$30 billion".

The government across the way has deliberately had a high interest rate policy in this country which has driven up the cost of borrowing money and created a federal deficit that would not be there otherwise. As this professor said, if the bank rate in this country was kept within 2 per cent of the American bank rate, it would save money for the federal government as well as the provincial governments. The Canadian consumer would save money if the bank rate was lower. Farmers in my riding would save money if the bank rate was lower. People could borrow money, stay on their farms, buy machinery, expand small businesses, get mortgages, buy and renovate homes and pick up consumer loans.

The Conservative government has strangled and twisted the neck of the Canadian economy. As a result hundreds of thousands of people are out of work today. They would not be out of work if we had a bank rate that was even 2 per cent higher than that of the United States. It has done this deliberately in a desperate effort to fight inflation and keep up the value of the Canadian dollar.

No government since the 1930s has done as much to harm the Canadian economy as the government of the Prime Minister who sits across the way. As a result of the high interest rate policy, the GST and a government that is tightening the Canadian economy, we now have high unemployment in this country. Because of high unemployment we now have hundreds of thousands of people out of work who are drawing unemployment insurance and who are drawing welfare from the provincial governments paid for on a cost-sharing basis by the federal government. This is costing us billions of dollars a year.