

The Budget

I was disappointed in some of the remarks he made because I think he was talking about businesses and how businesses do not contribute to the economy of the country. He was using this old rhetoric of robber barons and that kind of thing. He said that businesses should be forced to voluntarily cut back so that they do not make profits or take much less profits. Therefore it would help the country to get going.

The member might disagree that is what he said but certainly that is what comes across.

I would like to suggest that businesses in the community and in the country, particularly public companies, are financed primarily not just by the banks as my hon. friend would suggest, but by pension funds. Many of the shares of public companies or many of the companies which trade on the stock market, are held by pension funds.

Where do these pension funds come from? They come from the major unions in the country. Let us put something on the table which I think is very important, something that seems to go beyond the thinking of the New Democratic Party which really represents labour. I cannot understand this fallacy it keeps talking about of big business taking all these returns or the banks. They always talk about the banks making these profits that are absolutely obscene. This is the kind of thing we hear. Those same banks are owned by shareholders, who are union membership by way of their pension funds.

• (1740)

If you do not get a return on investment from a public company primarily owned by pension funds and individual investors then the return is not going to come to the pension funds like all those that are subscribed to the pension funds would want them to be. Think about that for a moment. It is all intertwined. You cannot say that one part of the economy is not pulling its load while another part is.

Another thing the member said which I would like to take issue with is that it is our money. It is not our money. We are so interwoven in the international monetary community that we totally depend on the international monetary community to loan us money on a short-term and a long-term basis to keep the economy going because we have a massive debt, a debt that has accumulated by compounding interest since 1984, when

it was something like \$190 billion to \$200 billion, and now it is over double that.

It has not doubled because this government did not curtail spending. It has not doubled because we put up the printing presses and started pouring money into the economy. It has doubled because of compound interest. People will never forget that when we took office in 1984 the government of the day was borrowing \$16 billion to live. We had to borrow it to pay old age pensions, to pay health care, to pay family allowances, and to operate government.

By raising taxes, which is one thing, and mainly through a 75 per cent cut in government expenditure we have turned that around from being \$16 billion in the hole every year to the point where we now have approximately \$10 billion more each year than we really need to operate the government. However, that \$10 billion goes to pay the interest on the debt.

It means that we do not have to borrow \$10 billion to pay the interest. Instead of borrowing \$45 billion to pay the interest we are borrowing \$35 billion. They fail to remember that.

They talk about the budget not being sensitive to people. Let me go back to the compound interest and show how it has pushed up the debt. The national debt in 1984-85 was \$206 billion. Compound interest on the 1984-85 debt was \$239 billion. We had an operating surplus for the year 1984-85 of \$25 billion giving us a total national debt of \$420 billion.

We keep hearing from the Liberals and the NDP: "Spend our way out of this. We have to really spend some money and start throwing it around". If we do that we increase the debt. If we do that we destroy the confidence of the international monetary community. When we try to bring investment into the country they say: "No, no. We don't want that". That is the Argentine solution, hyper-inflation. That is the kind of thing that happened.

I want to tell my hon. friends that I was there when this was attempted by the opposition party, the Liberal government, with the support of the NDP. In the early 1980s, when we had a recession, I saw interest rates go up to 25 per cent and I paid them in my business.

I know what happened in my business. As a result of that I lost everything I had worked for until that time,