

Government Orders

The real problem that the government has demonstrated since it came to office in 1984 is a basic one, that it has not taken advantage of the prosperity which the country enjoyed since 1982. We have heard a lot from the other side of the House, from time time time we are still told, that the high interest rate policy today, the high deficit today, and the high debt today are all the result of some nefarious policies pursued by Liberal governments in the late 1970s and the early 1980s.

Those who advance that line of argument should recall that the impact of international oil price increases and of international interest rate increases at that time, not only drove the Canadian economy into a recession, but created recessionary circumstances across the western world. In accordance with standard economic policy, the government of the day used its spending to ensure that there would be employment to ensure a minimal standard of living for Canadians during a time of severe international recession.

The other half of that coin is that when prosperity returns, as it did partly as a result of the very policies pursued by the Liberal government of the day, then a government should withdraw some degree of its spending from the economy so that the economy does not become overheated. But this government has failed to do so, despite its repeated proclamations that was what it intended to do. Its financial plan of 1984 set forth a fiscal commitment to reduce its spending, to constrain its spending at a time when Canada was enjoying increasing prosperity. The government says that it still wants to pursue that policy, but it has left that policy so late in the business cycle that I, myself, fear that cutting government spending substantially, which it should have done consistently over the past six years, will now in fact contribute to the recessionary circumstances which are feared across our country.

The government has failed to do what it said it wanted to do. It has left Canadians in a situation of high interest rates, increasing inflation, and a fiscal policy that has not been used to create the circumstance of growth and employment which we all seek in this country.

The Acting Speaker (Mr. Paproski): Before I recognize the hon. member for Winnipeg—St. James, it is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjourn-

ment are as follows: the hon. member for Halifax—Child Care; the hon. member for Haldimand—Norfolk—Trade; the hon. member for London—Middlesex—Science and Technology.

On debate, the Hon. Member for Winnipeg—St. James.

Mr. John Harvard (Winnipeg—St. James): Mr. Speaker, I am pleased to speak on this borrowing bill because it affords me the opportunity to express a number of concerns of my constituents of Winnipeg—St. James.

In Canada today, there is a crisis in confidence.

• (1600)

This crisis in confidence manifests itself on many fronts. There is more to it than just the apparent ever-present constitutional crisis which reflects poor leadership on the part of the Prime Minister. The ease that I feel in this country and that is expressed to me goes well beyond Meech Lake.

There is a crisis in confidence in the handling of the economy. Clearly, Canada's economy is in a state of deterioration. The indicators are pointing the wrong way. The country is adrift, and people are asking over and over again: "Who is in charge in Ottawa?" What is going on in the nation's capital? Does the government know what it is doing? Where is the leadership?" Those are some of the feelings the people of Canada are expressing.

The finance minister says: "Everything is okay. Believe me, trust me. Everything is going to be all right." The trouble is that nobody believes him any more. The man's credibility is completely shot. He has been singing this tune ever since he became the finance minister in the fall of 1984. Nobody believes him any more. In 1984, six years ago, the minister announced a five-year deficit reduction plan which has been an unqualified failure despite a spell of record economic growth.

At home and among our major trading partners, our deficit has come down a paltry, insignificant \$4 billion. Most of this reduction is the result of tax increases and not expenditure reduction. The minister's big talk is just that, big talk. In a period of unprecedented growth when our economic house should be in order, what has he done about the debt? He has doubled it. What has he done about taxes? He has raised them about 31 times.