

Routine Proceedings

unemployment. Because of that, we should be moving concurrence in this particular motion.

I also want to make a comment about the GST and high interest rate policy and why I moved this motion today. The high interest rate policy is extremely relevant to the GST debate. One reason why the government is saying: "In this country we need to raise more money through the goods and service tax to help pay off the national debt". Well, one reason for the deficit being a problem and for the national debt being a problem in Canada, is that we have a high interest rate policy that is literally adding billions of dollars per year to the deficit in Canada.

I want to go back to April 26 of last year when the Minister of Finance made his very rushed budget appearance and divulged his budget to the country in the national press theatre after the leak. He said at that time that he fully anticipated that short-term interest rates in this country would drop to around 10 per cent by the time of his next budget in the spring of 1990. Well, that has not happened. Instead, interest rates have continued to stay high. They are about 2 per cent higher than the Minister of Finance forecast.

If you add two points to the bank rate in this country and you sustain that over a year, that will add approximately \$3.2 billion or \$3.5 billion to the deficit alone because of the national debt. Because of the high interest policy in this country this government is going to have to raise money in another way. They do that in part by a goods and service tax that puts a tax on everything from coffins to diapers for kids, to Big Macs, to haircuts, to taxis and all kinds of services that were never taxed in this country before.

The debate this morning is very relevant. I think this House should move in concert and concur in the finance committee report and say it is about time that John Crow come down out of his ivory tower and look at the reality, that high interest rates in this country are hurting the Government of Canada and the population of this country. They are slowing down the economy and creating unemployment. So the debate this morning is extremely relevant.

• (1140)

When this government came to power about five years ago in the fall of 1984 the national debt for the first time in 118 years in this country's history had reached around \$160 billion.

Mr. Belsher: How much does it cost to carry it?

Mr. Nystrom: That debt is expensive to carry. In fact, that debt has more than doubled. By the end of this year estimates are that the national deficit in this country will be hitting around double that, that is to say around \$380 billion. Here is a government which in five short years has doubled the national debt from \$160 billion to some \$380 billion. That is a lot of money.

Mr. Belsher: How much does it cost to carry that? You haven't answered the question.

Mr. Nystrom: The answer is around \$45 billion this year. That is \$45 billion this year because of the national debt.

The debate this morning is extremely relevant I suggest to my friend in the Conservative party. If it cost \$45 billion to carry the national debt this year, then surely the House should spend a few hours today concurring in the finance committee report. That committee was chaired by the member for Mississauga, a committee that has eight members of the Conservative party on it. They have said to John Crow: "Look, enough is enough. Roll back the bank rate in this country so we can save money for the Government of Canada as well as save money for a lot of ordinary citizens from one part of this country to the other".

[Translation]

Mr. Speaker, the national debt is now nearly \$380 billion. In the five years since the Conservative Prime Minister (Mr. Mulroney) was elected in 1984, the national debt has doubled. Five years ago, the national debt was \$160 billion.

By the end of 1990, when it reaches \$380 billions, the national debt will have more than doubled.

Mr. Speaker, we now have a report by the Finance Committee in which all three political parties said: enough is enough. Mr. Crow, the Governor of the Bank of Canada, no longer has any excuse for a monetary policy that has maintained interest rates in this country at excessively high levels.