

### *Economic Conditions*

ment, and that is why the prime is 18.25 per cent and our businesses must pay 19 per cent, 20 per cent and 21 per cent for their money. Also that is why it is very likely that we will have a depression and massive unemployment. A business that cannot pay its payroll and hire people will go broke.

The only difference between the government and private business is that they have not figured out a place where the government can file bankruptcy. In the House we are talking about the bankruptcy of ideas and leadership and a bankruptcy of policy because of the leadership of the government and the lack of policy. I have no sympathy for the government and the lack of policy. I have no sympathy for the Bank of Canada. It is trying to float the debts, waste and overspending of government.

In the year 1979-80 the deficit was over \$11.4 billion. This year the minister says that it will be \$14.2 billion, but he did not include the 17 per cent interest factor which he will have to pay for the latest rise in oil prices. It will be in excess of \$14.2 billion unless the minister does something about it. In his fairy tale budget he says that next year it will be \$13.7 billion, that the year after it will be over \$12 billion, and that the year after that it will be over \$12 billion. In other words, the government operates on the basis that there is a free lunch. It operates on the basis that it does not matter what is done. It creates demands and spending priorities, whatever they are, and it pays the bills. If it does not have the money, it prints it or borrows it. It goes on like that year after year without any plan to get back into balance or eventually pay the bill. It has a foggy idea that our children, grandchildren and grandchildren's children will some day, somewhere, somehow, pay it off. It will not work that way. It cannot work that way. A government, a business or a household cannot go on year after year spending more than it takes in. We cannot, as a country, spend more than we earn. That is simple economics. You cannot pay your grocery bill with a Chargex card. Yet that is what we are doing.

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It may be important that we have certain things looked after by the government. It may even, in our opinion, be necessary. The basic facts which we in the House of Commons must come to grips with are that while there are huge demands on our society, while there are people in poverty, while there are businesses in trouble, while there is economic development which must take place, while there are government attitudes and programs, those programs must be tailored to meet the money which is there to pay for them. Sure, you can have a deficit one year if you have a surplus the following year; that is to say, if somewhere along the line you come to some sense of balance. But you cannot go on year after year with very little in the way of surplus. And we have had this situation from 1968 onward. We have experienced year after year massive and monstrous deficits. We are spending a dollar for every 75 cents we take in taxes.

The infrastructure alone on the debt we have accumulated is astronomical. In the year 1983-84 the minister's fairy tale

budget proposes that we will pay \$16 billion in interest. But he was figuring that on the basis that interest costs would be somewhere around 10 per cent. Will they be 20 per cent by then? Will they be 25 per cent by then? Will they be 30 per cent by then? Will that interest charge be \$30 billion, \$40 billion or \$50 billion? Where are we going? We are supposed to get a set of directions in a budget. We are supposed to get a proposal for economic stability from this government. But what do we get? We get a fairy tale. And even the fairy tale says you can spend into the indefinite future. We have five-year projections and we still wind up with deficits in the \$12 billion range. There is no program to get the country back into fiscal shape.

This is the kind of thing that we as members of Parliament had better pay attention to. And the government had better pay attention to it. You cannot go on year after year, no matter how poor you think you are, spending more than you take in, spending more than you earn. The government has to face up to this fact. It has to face up to the fact that there is no free lunch. It should realize that the free lunch went out long ago and that they will have to make arrangements with the provinces to do those things which provinces should do and arrange with the municipalities that they do the things which municipalities should do. Some of the things governments do cannot be done because they cannot afford to do them. The government will have to face up to that. They must face up to the fact that there are not enough resources in the country for them to be done.

We see the CBC coming before the CRTC with the proposal that we have not just one CBC but that we establish a CBC 2. They only charge us half a billion dollars to have CBC for a year, and now they want another CBC. Another half a billion dollars. Where is it to end? When do we say: Look, it would be very nice to have this entertainment, it would be very nice to have the party, to have the trip, but somewhere along the line government has the responsibility to say no. A government has the responsibility somewhere along the line to say: "We cannot afford it; until we pay our bills we cannot spend any more". A government has a responsibility to say to agencies of the Crown: "I am sorry, I know the problem is serious, but you cannot do that any longer because we have not got the money in the bank to pay the cheque; it will be stamped NSF".

A government has responsibility as trustees of the tax money, of the resources of Canada, to do it that way. There is no right to go on year after year raping the savings of Canadians by creating monster inflation, by printing money. We have increased the amount of money the Bank of Canada printed this year by \$2 billion. The amount of debt that the Bank of Canada held of the Government of Canada a year ago was about \$13.6 billion. It is now \$15.613 billion. That is the kind of thing that happens. That is in a year. You cannot borrow it all on the market. The fact of the matter is you have to monetize some of it. The fact of the matter is you have to counterfeit some of it. The fact of the matter is that when governor Bouey says he is going to keep the monetary expansion between 5 per cent and 9 per cent this year, all you have