

certainly would not instil confidence in any banker that I know to lend it money in view of the way it has managed money in the past. One can go through many things as far as the record of this Government's spending is concerned. There is really not much room for much confidence that the Government will manage this new borrowing properly.

Let us take a look at some of the Government programs. As far as I can see the Government does not have any concrete plan to get us out of the financial mess we are in. The Hon. Member for York Peel (Mr. Stevens) talked about how bankrupt Canada is. In many ways this is true. The more that is the case the sadder it is. If there is one country that should not be bankrupt, it is Canada. Canada has more natural resources per capita than any other country in the world. Surely, when we have the resources we have we should be able to manage our affairs in such a way that we should not have to borrow so much money.

We are not objecting to the Government borrowing money. We all know that in the normal course of events, whether you are a housewife, a businessman or anyone managing an economy, you have to borrow money. There are times in a fiscal year when you simply do not have enough money coming in to meet your current requirements and that necessitates borrowing. We know that. We are not objecting to the fact that the Government is borrowing money. What we are objecting to is that based on this Government's record, on the plan it has to put in front of us and knowing the Government will use this money, it engenders really no room for any kind of confidence or benefit of doubt that the money will be used properly.

Again, when you relate this amount to an average family of four, we are being asked literally blindly to approve almost \$5,000 worth of borrowing. I hope Hon. Members know that. It is a massive debt load to put on every family in this country in just one Bill, and we are likely to get another one before this session terminates.

Let me expand on the size of this borrowing. The amount of money this Government will have to pay this year on the accumulated debt of its past spending is \$20 billion. This means \$800 per capita for an average family of four, or a little over \$3,000 per family. If you think about it, Mr. Speaker, of the share of the debt for an average family, which is a little better than \$3,000, almost two-thirds will go to service past debt, the total accumulated past debt. That is one way of putting the amount of money involved into perspective. Those of us who deal in much smaller numbers and try to manage our affairs more prudently than this Government want people to understand why we are concerned about the amount of money this Government is borrowing.

● (1730)

I want to make another point. It is important to realize that in many ways money is now like a commodity. It is no longer simply a medium of exchange; it is a commodity with a price on it. The more demand you put on the commodity, the higher you drive up the price. It works in many ways like any other commodity. For example, if there is a shortage of automobiles,

the price goes up. This is because there are not enough automobiles to satisfy the needs of everybody.

The same happens with money. Instead of price, it is interest rates that go up. Yesterday the Hon. Member for Vancouver-Quadra (Mr. Clarke) pointed out that the total amount of personal savings in this country is almost equal to the amount of money this Government will run in deficit this year. That shows the magnitude of the amount of money this Government is attempting to borrow.

The more you borrow, the more you drive up the price of money, namely interest rates. Regrettably, we have seen that happen in the last days and weeks. We are seeing a movement in the United States and here. That cannot help but have absolutely horrendous effects on this economy. The more you drive up the price of money, which is interest rates, the more you hurt those in business for themselves. When you hurt them, you take people out of jobs and put them on some sort of social assistance, which again hurts the deficit.

I have a question for the Minister of Finance (Mr. Lalonde) and the Governor of the Bank of Canada. Where in fact is the balance between using interest rates to protect the value of the Canadian dollar and letting the Canadian dollar go and seeing interest rates stay at a level that keeps people in business? Many businessmen in this country have gone broke as a result of high interest rates. Tell them that you are proud of what you are doing to protect the Canadian dollar. I know of no small businessman who would make that kind of statement. In many ways that is what the Minister of Finance and the Governor of the Bank of Canada are doing when they use interest rates to protect the value of the Canadian dollar.

We have to import fruits and vegetables out of season. Because we live in a northern climate, we must import our citrus fruits. We do not grow them basically. If you let the value of those commodities rise, a consumer will back away from them. That is the way the system is supposed to work. The Minister of Finance and the Governor of the Bank of Canada say they know best. If the value of the Canadian dollar falls and imported fruits and vegetables out of season cost more, they are going to protect the consumer from buying them, even though the price may be up. Surely that should be up to the consumer.

I am not suggesting that I want to see the dollar go to 39 cents, 50 cents or 70 cents. I am saying the Government should stop trying to have it both ways. Stop trying to use interest rates to protect the value of the Canadian dollar and rely a little more on the common sense and good judgment of the average consumer. You could look for the value of the Canadian dollar staying at a level that makes sense as far as productivity in this country is concerned. The Government would not have to intervene in the market. The Bank of Canada would not need to worry about interest rates as much as it does.

When Government spending is out of control and the Government has to borrow to the extend that it does—and the evidence is in this Bill—it causes many problems throughout the whole economy. If we had better control of Government spending, we would have better control of the amount of