

Government Orders

[English]

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, I am pleased to speak to the preliminary report of the finance committee on the prebudget hearings that was tabled today.

I am pleased to do so because it deals with the deficit and the debt. This is the major reason that I am standing here as the member of Parliament for Simcoe Centre. I felt so strongly about the issue that three years ago I put my retirement on hold to see if I could win the election, come to Ottawa and hopefully restore some fiscal sanity to this place.

I think back to what my generation has done. We have accumulated this horrendous debt and it is a bill that, unfortunately, we are not going to pay. The bill is going to be left with our children and our grandchildren.

I was not very happy about that and I wanted to go to Ottawa to hopefully do something about it. I am sure this is a feeling that is shared by most of the members in this House, that the debt has to be dealt with. This coming budget will give us an opportunity to deal with it in a very meaningful way.

In 1970, when I moved to Barrie to open up my business, the federal debt was only \$20 billion, about half of what the interest payments are on the debt today. As I stand here, the debt is about \$570 billion and is heading for \$600 billion.

It is the number one issue for all Canadians. I am talking about Canadians both inside and outside of Quebec. It is the reason there is such an oppressive tax burden. It is the reason there is such unacceptable high levels of unemployment and it is a threat to our social programs.

My concern in preparing for the government's third budget is that the target is too low and the pace of achieving a balanced budget is too slow. When I think about that slowness, I recall as a youngster taking band-aid off a sore. If you took it off slowly, it pulled on the hairs on your arm and was very painful. But if you had the courage to take hold of it and rip it off, you got through that pain very quickly and went on to healing. That is very much what we are dealing with here. We have to deal with the pain very quickly and get on with restoring employment and getting our economy moving again.

The finance minister has talked several times in the House about his countdown. He says he is going after the deficit on a 5, 4, 3, 2 per cent, dealing with just tens of billions of dollars. The finance minister does not talk about the count up. He does not talk about the \$400 billion, \$500 billion, \$600 billion of debt. That hardly qualifies as justification for a 5, 4, 3, 2 drop in the deficit while we have the debt increasing by those hundreds of billions of dollars until it is approaching the \$600 billion figure.

● (1935)

Also, what he does not mention is the 3, 4, 5 increase of \$30 billion, \$40 billion and \$50 billion in interest payments to service that debt. That \$40 billion and \$50 billion in interest payments is the killer of jobs. It is the reason taxes are so high. It is a threat to social programs. That \$50 billion does not create one job in the country, does not do anything for health care and does not do anything for child poverty. It goes up in smoke. It leaves the country and does not do a thing for Canadians. As a matter of fact it worsens the situation.

I was appalled by a quote reported in the *Ottawa Sun* on December 12 made by the Prime Minister. He made this statement while he was taking part in an electronic town hall meeting. It was an answer concerning our huge debt. The question was raised by a concerned taxpayer who was in the audience. The response was: "Of course we have a debt, but we can pay off our interest. We have no problem at all".

Imagine how that sounds to overburdened taxpayers, to the unemployed who are struggling to make ends meet. The Prime Minister says: "We have no problem at all". That reflects the mindset of the finance minister when he is attempting to deal with our problems.

While I am reading quotes I will read another by Mr. Gordon Gibson. I went to a meeting which was held in Barrie where Mr. Gibson was promoting a book that he had just written entitled *Thirty Million Musketeers*. He said in that meeting that in doing research for his book he projected the government's budgets beyond the two years that the finance minister is currently working under. He said that he knows now why the finance minister only goes two years down the road. It is because when you go beyond that point and look at dealing with \$50 billion of interest payments, the problem becomes a staggering one. It would take severe draconian cutting to deal with that kind of interest payment.

There are three ways to balance a budget: increase taxes, have a healthy growth in the economy and reduce spending. Of those three choices the only one we have complete control over is government spending. The first one, taxes, I would suggest that avenue has been cut off. There are no more tax dollars in the pockets of the Canadian people to give to governments. They are taxed to the limit. Therefore, that avenue is not open.

While it is very nice to hope for growth in the economy, we do not control it. Would it not be nice if we projected low growth in the economy and had a pleasant surprise for a change instead of the terrible consequences of it not growing fast enough and in fact our deficit is larger than we projected and unfortunately our debt will grow correspondingly.

Spending is the only thing we have complete control over and something we must address. The government has a spending problem not a revenue problem.