

The Budget—Mr. Crosbie

was housing critic for the Liberal opposition on October 29, 1979:

If there is a requirement to raise interest rates, there is an equal requirement to help those people who are hurt by those interest rate increases.

The mortgage interest rate then was 12 per cent. That hypocrite has been in this House and in the government during times when mortgage interest rates went to 22 per cent, and he did nothing, nor did his government, to help those people interest rates were hurting. "An equal requirement to help those who were hurt by those interest rate increases." He is a mountebank, Mr. Speaker. He is a poseur, Mr. Speaker. He is a cheap bluff, Mr. Speaker. He is a trickster, Mr. Speaker. He is a man who does not practise what he preaches, and therefore his words in this House are utterly unconvincing to anyone who listens to him and knows what his shameful record is. It is shameful.

● (1700)

Mr. Fisher: What about giving us a few ideas?

Mr. Crosbie: Just wait. There is a great wind rushing around in the head of the hon. member and coming out of his two ears because there is nothing in there to fill the gap, Mr. Speaker. If he will listen he will hear a few things.

In the Ottawa *Citizen* today there is a report of a housewife, I believe, called Kathy Lafrange who summed up the situation perfectly. She says, "It's the poor buggers like us, and all the others, who feel it when they have to renew mortgages." She says that the Minister of Finance has not really changed a thing but has just shuffled some things around and now has a deficit of nearly \$20 billion. That sums it up. The public knows what this budget is. It has not changed a thing. Poor MacEachen has just shuffled some things around and now he has a deficit of \$20 billion. The public knows what is being attempted.

I was minister of finance briefly and I brought a budget into this House on December 11, 1979. I have nothing to be ashamed of, thank God. It was fair, it was square shooting and when you heard it you understood it. There was no peculiar language in it. There was nothing tricky. You did not have to comb through every word to see what was there. You knew there was a tax increase if there was a tax increase and you knew there was not if there was not. You knew there was a new program if there was a new program. Had that budget been implemented and not stopped by the Liberal-NDP coalition who were together then and are together now, although the NDP want to absolve themselves from responsibility, we would not be in the economic situation we are in today. We would be in far better economic shape. We would not have 1.2 million unemployed, a cost of living increase of 11.8 per cent and interest rates of 18 and 20 per cent.

The minister did not wear new shoes last night, Mr. Speaker, he wore sneakers. That is his technique—the sneaking technique, the tricky technique. That is the hallmark of this budget; it is tricky, it is complicated, it is devious, it decreases understanding, it is the old shell game so that you do not know

which shell the pea is under. Every word has to be watched and in order to get the real meaning you have to leave the budget speech and go to the details of the budget. It is just like his last two budgets.

The tragedy is that there is no longer any thrust or any pretence of a thrust or strategy to get us out of this economic chaos. There is no longer a pretence that the government has a plan, no longer a pretence that it has a hope. All it has done is devise two or three little programs so that its members can go back and pretend to the farmers, the small-business men and the unemployed that it is doing something for them when it is doing nothing.

Just seven and a half months ago it told us what its philosophy was. It told us it had the answer. I refer to page 11 of the budget of November 12, 1981, where the following passage occurs:

The fundamental response of the government to the interest rate problem has been the basic deficit-reduction strategy of this budget. By tightening fiscal policy and reducing the deficit even more than had been planned a year ago, the government is strengthening the over-all thrust of its anti-inflation strategy and relieving the burden which would otherwise fall upon the Bank of Canada. In recent weeks there has been some decline in interest rates, amounting to about 4 percentage points for short-term rates. The mortgage rate has fallen below 20 per cent. The government is confident that its policy will gradually bring down the rate of inflation and that this will be reflected in further declines of interest rates.

Seven and a half months ago the government's fundamental strategy was said to be a deficit reduction strategy and everything else hinged on that. What has happened since? In that budget the minister said we would have a deficit of \$10.5 billion, but now, seven and a half months later, the deficit has increased by \$9.1 billion to about \$20 billion. Everybody in his department should be fired for making an estimate seven and a half months ago that the deficit would be \$10.5 billion when it is now almost double that. Can such incompetence or such deliberate deceit be tolerated? It is either monumental incompetence or deliberate fraud and deceit that has been practised upon the Canadian people.

What has happened to the deficit reduction strategy? In the last budget the deficit was \$10.5 billion and now it is \$20 billion. According to the budget of seven and a half months ago, the government was going to borrow \$6.6 billion in the public debt market for financial requirements. Now it is going to borrow \$17.1 billion, an increase of \$10.5 billion or 2.5 times more than it was. In just seven and a half months the government's borrowing requirements have increased 2.5 times to \$17 billion. It will compete with the provinces and the private sector and the person who wants a mortgage to borrow that money and will force interest rates up.

The Prime Minister (Mr. Trudeau), the Minister of Finance and the Secretary of State for External Affairs (Mr. MacGuigan) went to Versailles where they told President Reagan that he would have to reduce his deficit because that was the only way the world could be saved economically. They told him that he could not bring interest rates down unless he brought his deficit down. Mr. Speaker, the deficit in the United States is \$103 billion and its economy is ten times the size of