

Finance

Mr. Andre: Look at the figures. The Parliamentary Secretary to the Minister of Finance (Mr. Lumley) is so busy running around protecting the Minister of Finance that he has not had time to do some simple research. The fact is those countries which have low inflation have the strongest currencies, and those which have high inflation have the weakest currencies. It makes sense.

Through our policies we are devaluing and discrediting our dollar at a rate of 9 per cent. We are debasing our own currency. Who wants to hold on to a currency being debased at 9 per cent a year when they can hold on to a currency which is holding its value? You do not need a Ph.D. in economics to figure that out. Even a country lawyer like the Minister of Finance should be able to figure it out.

● (2252)

Then what is the cause of inflation, Mr. Speaker? Let us consider what a big city lawyer says it is. The big city lawyer says you can never spend more than you have, otherwise you have endless inflation. Mr. Speaker, that big city lawyer was the Prime Minister (Mr. Trudeau), as reported in *Maclean's* magazine of October 20, 1975, if the Parliamentary Secretary to the Minister of Finance cares to look it up.

Mr. Lumley: I will go out and check on that.

Mr. Andre: He says if you spend more than you take in you have endless inflation. So what is that big city lawyer doing with the government for which he is responsible? Last year that big city lawyer, who says if you spend more than you take in you have endless inflation, and who previously had wrestled inflation to the ground, was responsible for his government spending \$44,450 million. That government only raised about \$36 billion so it spent \$9 billion more than it raised. Of course, it got that money by turning on a printing press across the street in the glass tower. It debased the Canadian dollar, and now international money markets are saying they want to hold on to something more stable, like the Swiss franc or the German mark. And that is what they are doing. Even a small country lawyer could figure that out and should be able to do something about it.

That is the root of the crisis in this country, Mr. Speaker. That is the problem that has to be addressed and the problem that this government refuses to address because it would take political courage to attack government spending in a vigorous way. Not only do they lack courage to attack the problem but they attack vehemently every positive suggestion put up by our side, even if they have to distort what we say in order to create a strawman at which they can flail. It is irresponsible behaviour.

Government spending is totally out of control. The annual increase in expenditures from the year this government took office until now is 11 per cent, 11 per cent, 14 per cent, 7 per cent, 23 per cent, 28 per cent, 18 per cent, 10 per cent, 18 per cent, and this year it is 13 per cent. With that kind of cancerous growth in spending it is no wonder that revenues have not kept pace. I wonder if the House and the country are

aware that even if the government raised income taxes in order to meet the deficit of last year, it would have to raise them by a full 50 per cent. It certainly will not do that, but it does not have the courage to cut back on spending either. The \$9 billion has to come from somewhere, so it has been borrowing part of it, and printing money to cover the other part. The only problem is that it has to be paid back.

Last year the interest on previous debts amounted to nearly \$7 billion. That is more than the annual expenditures of the Pearson government. We spent more money on interest on the debts of this government than the Pearson government spent in total.

We are now borrowing money to pay interest on money borrowed earlier. On and on it goes. With that kind of operation it is no wonder the international money markets are saying they do not want to hang on to our dollars but want more stable dollars. Small wonder our dollar has fallen to 88 cents, and pressure is still building.

All the loans we can get from banks and offshore sources are not going to solve the problem. They may enable the government to survive until an election, however. The problem of an uncontrolled economy that is spending at cancerous rates has to be tackled, and this government refuses to do that.

I would refer the Minister of Finance to the debate on February 2 as he was not present at that time. This party put forward four concrete proposals to aid the government in addressing the problem of government spending. They were positive proposals, and the government would be well advised to adopt them.

I plead with the government to try to bring things under control because this is truly a marvelous country. We are blessed as is no other industrialized nation. We have great resources, a highly educated population, and a well developed infrastructure. We have all that is necessary to give this country a future that no other country can dream of. The only thing wrong is the continuation of the stupid, ignorant policies of this government over the last few years. As the Liberal party said in the election campaign of 1972, "The Land is Strong". We agree, Mr. Speaker. The land is indeed strong, but it cannot endure this kind of mismanagement forever, and the time has come to take corrective action.

Some hon. Members: Hear, hear!

Mr. Max Saltzman (Waterloo-Cambridge): Mr. Speaker, in the early part of the evening it looked as though we were going to get into a great big brawl. Fortunately, it deteriorated into a debate—but this debate is becoming curiouser and curiouser. As my friend, the hon. member for Regina-Lake Centre (Mr. Benjamin) would say, "I am just a little old country boy and there are some things I do not understand." I am trying to understand, Mr. Speaker: I am a little old country boy from Waterloo-Cambridge.

What I do not understand is that speaker after speaker from the Liberal side of the House has defended the devaluation of the Canadian dollar and said how curative the whole process