

Borrowing Authority

The Government's objectives, "to make expenditure control and good management the primary focus of fiscal restraint" has failed dismally to materialize, let us face it. That is why they are so desperate today to get down and do something about it and hit everyone with a sledge hammer. There is, therefore, great reason on the part of all Canadians to be concerned about the financial management of our country. The situation does not seem to be improving even though the Conservative Government has imposed on Canadians the highest tax increases we have seen in Canadian history.

Let me lay this out before the House and the people of Canada in simple but accurate terms. It took Canadian governments from Confederation, from 1867 to 1984, 117 years, to build the national debt up to \$170 billion. But it will take this Government only five years to add another \$170 billion from 1984 to 1989.

Some Hon. Members: Hear, hear!

Mr. Hopkins: That is the message that we want to get out to Canadians, because this Government is still dumping on the previous government, still blaming the previous government for this, but it is their administration that at some point in 1989 will have succeeded in doubling the national debt of this country in five years or less. It is clear that the high interest rate policy of this Government is one of the problems. Indeed, the Minister mentioned it this morning. He listed it as *the* problem the Government has.

The deficit does not increase drastically because the Government has spent too much on post-secondary education. That is not the cause. The cause is not retraining. The cause is not social programs and the cause is not regional development. But these are the items that paid the price because the Government wants high interest rates.

It is clear from the Government's own estimates that were tabled in this House last Friday that one of the major causes of the deficit has been the excessively high interest rates, to the extent of \$6.4 billion. Imagine, \$6.4 billion in interest rates because of the high interest rate policy of this Government, and then it is blaming everyone else for its problems. Imagine, because of the Government's high interest rate policy it is costing \$6.4 billion more to service the national debt.

The Government seems to be fuelling its own inflation but it is blaming post-secondary education, Medicare, unemployment insurance and other social programs. It is also blaming regional development—

An Hon. Member: International money markets.

Mr. Hopkins: An Hon. Member mentions the international money markets. Certainly, the International Monetary Fund which is located with its headquarters in Washington, did send a message to the Government during the winter and told it that it was time it got the financial management of the Government of Canada in place because they were getting concerned about the Canadian debt. That came from the IMF, the International Monetary Fund. It gets pretty serious when the IMF must send a message to a national government. It sent the message to the Government because it realized it would be doubling the national debt in less than five years.

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Higher taxes on the people of Canada is also a form of inflation. This type of inflation can be had even when the economy is weak. Higher taxes can still be imposed. Therefore if there is a downturn in the economy down the road, people will still be saddled with high taxation.

As a result of the Budget an average income family will pay \$700 more in taxes annually. The over-all truth of the matter is that the same family is now paying \$2,000 more in taxes than when the Conservative Government was elected.

This morning we are talking about a borrowing Bill and the financial management of the Government. The real financial managers will have to be the people of Canada, those who are being taxed. After the Government is through with them they will have to manage their affairs very carefully. They will have to manage their incomes in such a way as to keep their heads above water. They will have to manage their affairs carefully in order to stay above the outgoing financial tide that is flowing into the Government of Canada as a result of high taxes.

In order to even touch the surface of the financial management of the Government there are many other items about which we must talk. Let us take a look at the agricultural industry which has been having a very tough time for some time now. The Government has cut \$399 million out of agricultural services and subsidies. One of these is crop insurance. The federal Government is trying to change the sharing of the cost of crop insurance between the federal and provincial Governments. In Quebec and Newfoundland the fund is split 25 per cent