

The Budget

from Essex—Kent give us more information with respect to those assumptions and how inaccurate or how wrong they may very well be.

• (1300)

Mr. Pickard: Madam Speaker, again I thank my colleague for the question.

Our interest rate situation is a very difficult one. The reason is that we are in an economy that basically has borrowed, borrowed and borrowed. The Government of Canada is the largest borrower in the country. It is in a situation where it has borrowed tremendously not only from this country but from many others.

I quote an article in *The Ottawa Citizen* of today. It relates to James Gillies' warnings that Canada's worst nightmare is not the net debt, but that it will be growing at alarming rates from \$350 billion to \$406 billion by 1991-92. The article continues:

The real killer, he says, is the foreign debt of \$250 billion—which on a per capita basis is the worst in the world.

The worst foreign debt in the world has been built by this government. It continues:

Our foreign debt is the most of any country in the world on a per capita basis—And of course, we are running a \$20 billion deficit in our current account. When you get a big deficit, you have to import capital.

To get capital you have to maintain high interest rates. Our high interest rates are therefore there to bring in foreign capital to prop up our foreign debt. It is very clear that we have to be cautious about who is buying Canada. From the policies that are going on, this is a disastrous course.

Mr. Nicholson: Madam Speaker, I just heard the hon. member mention a debt of \$250 billion built up by the government. I am sure he would want to correct the record by first acknowledging that when the government came into power in 1984 the debt in the country was \$200 billion.

Mr. Fontana: No. Stop inflating that.

Mr. Nicholson: The interest on that is another \$120 billion just on what the Liberal Party left us in 1984. That is \$320 billion.

Some hon. members: Oh, oh!

Mr. Nicholson: Does the hon. member ever talk with his colleagues about this? Some of them are pretty quiet such as the member for Winnipeg South Centre or Mr. Chrétien who is running for the Liberal leadership. I know the hon. member will agree with me that they are not too worried about this deficit but it is interesting the hon. member said that he is so worried.

Has he ever had this discussion in his caucus, asking why did they let this happen? I know the hon. member will agree with me when I say that we would be in a lot better shape today if we had not inherited a \$200 billion debt in 1984 and if we did not have that \$120 billion that we have had to pay in interest since then.

The hon. member's concern is very interesting and nice to hear, but has he ever talked with any of his colleagues in the Liberal Party? They have been as bad as the socialists in encouraging government spending.

An hon. member: No.

Mr. Nicholson: Yes, it is true. They have been as bad as the socialists in encouraging the Government of Canada to spend money it does not have. I put that to the hon. member.

Mr. Pickard: Madam Speaker, I appreciate the comment from my hon. colleague on the other side. I would like to correct him on a couple of points that he made.

I was quoting a \$250 billion foreign debt.

Mr. Oberle: Where did you get that? It is absolute nonsense.

Mr. Pickard: That came from an article, as I pointed out clearly, in *The Ottawa Citizen*. It was Professor James Gillies who was commenting on what is happening to the moneys going out of this country and the foreign groups buying in. That was where that figure came from.

I will go back to the 1984 budget figures.

The Acting Speaker (Mrs. Champagne): I am sorry to interrupt the hon. member, but the period for questions or comments has now expired.