

[Translation]

Mr. Pierre Deniger (Parliamentary Secretary to Minister of State, Multiculturalism): Mr. Speaker, at 7.45 a.m., on this December 19, I cannot help but remember that a year ago today, almost to the hour, I was hitting the campaign trail for the second time after our party, with the support of the NDP, defeated a budget which was morally and economically unacceptable to us.

And so a year later, there are still some who refuse to accept the will of the Canadian people and who rise in this House to attack measures which are quite fair, Mr. Speaker, and absolutely necessary in 1980, considering the seriousness of the economic situation not only in Canada but all over the world. It is indeed a serious situation but I hesitate to say, as some hon. members opposite claim, that it is urgent.

Mr. Speaker, last night at 10.30, after a very long day with Dr. Bandeen at the Standing Committee on Transport, I was invited, together with the hon. member for Regina West (Mr. Benjamin), to a small reception where there were a great many people from various countries, and those people were wondering why we were still sitting at 10.30 p.m. So I wonder, Mr. Speaker, what they would say if they knew that we are still here at 7.45 a.m. They are probably all asleep. They were asking, "But why, Mr. Deniger, this emergency debate?" So I said: "Well, the opposition, under Standing Order 26, deemed it necessary, because of high interest rates, an ever-increasing deficit and a fluctuating dollar, to call for an emergency debate." They said, "You know, Mr. Deniger, we think Canada has a strange notion of what constitutes an emergency." And they were quite right, Mr. Speaker, because if you compare the economic situation in Canada with what exists in other countries, you realize that even with our problems, we are quite privileged. As you know, Mr. Speaker, it is very easy to find all kinds of reasons to justify a lessening of the tax burden.

If there is unanimity between people on this earth it is certainly over the fact that nobody likes to pay taxes. Taxpayers are dissatisfied with the taxes they have to pay, some even claim that income tax and land taxes distort the economy and affect its growth. Others maintain, and that always amazes me, that if we do not immediately decrease taxes, all that is going to happen is that those taxes are going to continue increasing, so that we must put a stop to this and decrease taxes. Still others claim that because of high unemployment, we must lower taxes, because otherwise it will just keep on getting higher.

A well known author by the name of Oliver Wendell Hayes once said that taxes are the price we pay for a civilized society, the price of government. Obviously, Mr. Speaker, one can question how civilized our society is in 1980, considering the injustices which persist on this planet, but if we compare the services we receive, I think we get our money's worth.

And that, Mr. Speaker, is precisely the heart of the problem. Since we get more than what we pay for, there is necessarily a

Economic Conditions

deficit. Let me explain. As you know, the concept of a balanced budget had a certain economic validity at the beginning of the century. What happened? What happened was that the new fiscal and monetary theories, which form the economic policy of a country, changed.

For a number of years, the goal was always to have a balanced budget. The idea of a balanced budget is easy for everyone to understand, Mr. Speaker, because the taxpayer, the small businessman, a couple, a housewife must all live within a certain budget, and if they fail to do so there is simply no solution.

That was the situation that faced governments at the turn of the century. It was then thought that to meet government expenses, one simply had to rely on taxes.

• (0750)

But obviously at that time, the only rule that was used was that of fiscal policies, and monetary policies did not enter into the picture very much. According to the fiscal policy of the time, taxes had to be high enough so as to control inflation but low enough to control unemployment. But that solution no longer works, Mr. Speaker.

What happened in the thirties and afterwards was that the government brought up the notion of monetary policy under which the government can provide many services, while taxing "below services", by borrowing to make up the difference. But borrowing means debts. The average Canadians who are listening to us at 7.50 this morning are well aware of the fact that one cannot keep on borrowing forever and that there always comes a day of reckoning. It is precisely at that point, Mr. Speaker, that monetary policies and interest rates come into the picture.

The hon. member who spoke before me asked why the governor of the Bank of Canada did not appear before hon. members to explain his monetary policy. Mr. Speaker, I was there about a month ago, or perhaps two or three weeks ago, and so was the hon. member for St. John's West (Mr. Crosbie), as well as the hon. member for York-Peel (Mr. Stevens), the hon. member for Broadview-Greenwood (Mr. Rae), and the Parliamentary Secretary to the Minister of Finance (Mr. Evans) when the governor of the Bank of Canada testified before the Standing Committee on Finance, Trade and Economic Affairs. But the hon. member who was complaining about the absence of the governor of the Bank of Canada was not there to ask the questions which he seems so eager to ask today.

Mr. Speaker, if that hon. member and all others who criticize the governor of the Bank of Canada had taken the opportunity that the governor gave all of us parliamentarians to go before the committee to ask him questions, all those embarrassing and non-partisan questions that we can think of because we are all concerned with interest rates, they would have had answers.