

Government Orders

fact that we are some \$500 billion in debt. We have an annual interest payment of some \$47 billion.

As we discuss issues in the House, no matter what they are, industry and trade, Indian affairs and northern development, the health problems or the social problems, they are influenced by the fact that our country is seriously hemorrhaging in debt. Every decision we make has to take into account that we owe \$500-plus billion and we are paying an annual interest rate to service that debt of some \$47 billion. We are being held captive by the irresponsible spending that was started during the Trudeau administration and carried on by the successive governments under Tory prime ministers Clark and Mulroney.

• (1815)

Before the Trudeau administration came to power we were basically running a balanced budget. We had a small national debt that was perfectly manageable. Somehow the special interest groups got to the Trudeau government and said: "Listen, if you will give us more of this and more of that, we will vote for you". The Liberal government heard that message and thought: "This is a good thing. Let us go out and tell all of Canada they can have whatever they want and not to worry about paying for it. As long as they vote for us, we will give them whatever they want". They instilled in this country, in the Canadian people, during those years an attitude of entitlement, that the Canadian people were entitled to every single thing they wanted. The government told them: "Do not worry about paying for it. We will borrow the money and sooner or later we will get around to looking after the debt."

Well, now some 28 or 29 years later, look what this got us. We have a half a trillion dollar debt and an interest payment that would pay for all the social programs in this country if we did not have it. This government talks about its famous red book and its promises. This government is trapped by the promises in the red book. The Canadian people are demanding that the government get control of its financial house. The Liberal government knows what it has to do. The Minister of Finance knew what he had to do, but the soft-headed Liberals in that party would not let him make the drastic and severe cuts that are needed.

They are trapped by the promises in the red book. The red book says: "We will bring the deficit within 3 per cent of our GDP". Big deal. That can be done by increasing the GDP. Spending does not have to be cut. That is fine as long as the economy stays buoyant. But what happens if there is a downturn in the economy, as was forecast in *The Globe and Mail* just a couple of days ago?

Under the government's budget plan and deficit reduction plans, if we have another downturn in the economy our fiscal house is headed for disaster once again. The government will use the same excuse the Tory government used. It will say: "Well, there is nothing we could do about it. We inherited this

debt from the Tories." The Tories said: "There is nothing we could do about it. We inherited the debt from the Liberals."

The Canadian people are sick and tired of excuses. They want action. The people who invest in business in this country are sick and tired of excuses. They want action. Everywhere we go in this country people are saying: "We want a balanced budget". The Liberals say: "Oh, no. Sorry. Canada does not need a balanced budget. You do not know what you are talking about. We have a plan that is going to cut the deficit to \$25 billion in 1997 and everything is going to be okay. It is a feel good budget". At the same time they are going to add \$100 billion to our debt and maybe another \$10 billion to the interest payments.

Madam Speaker, any economist will tell you that if you are deeply in debt—as a matter of fact, my wife will tell you, because she runs our household budget and does a darned good job, that the time to reduce your debt is when things are good, when you have a good paying job. Let us apply that same simple principle to this budget. This government should apply that same principle. Things are pretty good in this country right now. Now is the time to make some drastic cuts and get rid of the deficit. Get the fiscal house of this country in order.

The Canadian people, the consumers in this country, have no confidence in the financial affairs of this government. If they did, consumer spending would be far higher than it is now. The investors in this country have no confidence in the future of the financial plans of this government. If they did, investment would be higher now. That is where we have to target. We have to get back people's confidence in the investment community.

• (1820)

I would like to tell the Liberals how they can be heroes. All they have to do is balance the budget. Give the Canadian people a definite time line to balance the budget. Regain the confidence of the Canadian people in the way the government handles the fiscal problems. Get rid of the deficit. Say to the people: "We have shown you that we have our financial crisis under control. We have eliminated the deficit".

Once there is a balanced budget the Liberals can say to the Canadian people: "We think you have confidence in us once again. Here is what we want to do. About 30 per cent of our national debt is foreign owned. Let us bring that foreign owned portion of our debt home. We are going to issue something similar to a war bond. We are going to declare war on our foreign debt. We want all Canadians to invest in these war bonds". That is something saleable, but only when Canadians are confident once again that the government is in control of its financial house.