

Government Orders

thought he had a lot to say. I also enjoyed the fact that he put the details to his theories so that we could tell exactly what kind of budgetary savings were possible with his suggestions.

A while ago there was a comment in the editorial section of the *Globe and Mail*. It went something along the lines that sustained profligate borrowing by several generations of politicians is committing not only this generation but future generations of Canadians to a lower standard of living.

• (1550)

In the last few days we have seen some real interest rate fluctuations and so on. People are theorising that there has been not only a run on the Canadian dollar but a huge jump in interest rates because the government has been unable to control its profligate spending.

Could the member for Kootenay East give his opinion on the relationship between the growing size of our deficit and debt and the future of interest rates as he sees them?

Mr. Gouk: Mr. Speaker, I thank the hon. member for his question.

Certainly every time our debt seems to get a bit higher and a bit worse it makes international lenders look a little more sceptically at the ability of Canada to pay off these loans. We have seen our interest rating drop. I am sure we will see other measures taken by international lenders.

I mentioned New Zealand in my speech. What happened in New Zealand was not something that it got a lot of warning about. It came to the point where lenders lost confidence in the ability of New Zealand to make its payments and in a one-month time period it was virtually cut off all foreign loans. That could happen to Canada. I am sure we have a much stronger economy than New Zealand had even though we also have more debt. I am sure people are waiting to see if we can do something in Parliament.

Occasionally we hear encouraging words, unfortunately not followed by encouraging deeds, on the government side of the House. We are hoping that government members will come to their senses and deal with our tremendous debt and deficit. The lenders are waiting to see if they will come around to that. If they do not, I am sure we will see a further drop in our credit rating and higher interest rates.

[Translation]

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, I am both surprised and disappointed to see that the Liberal Party did not have the courtesy to respond with questions and comments and failed to appreciate the speech by the hon. member of the Reform Party.

Although I do not have the figures to which he referred, I was interested in what he said about calculating income tax on family income as opposed to individual income.

I would appreciate more information on the subject, and I would ask the hon. member to expand on a topic that should be of interest to the members of the party in power.

[English]

Mr. Gouk: Mr. Speaker, I would be happy to elaborate on that. I do not have the details of it in front of me, as the hon. member mentioned. However, the concept simply is that we have to start looking beyond the salary of the individual person.

I mentioned the idea of the government setting a threshold in the reduction of old age credits at \$26,000 which, as I said, is not a very high income for an individual. However, if we start combining incomes and the family income is higher that is when we should start looking. Obviously the expenses for two or more living as a family unit are not the same as those of individuals trying to provide their own housing, food and so on.

Realistically we have to look at this in a way that we can reduce some government expenditures but at the same time not place a hardship on seniors. The idea of the old age pension to which I referred was something that was brought in to aid people who had a problem in sustaining a reasonable standard of living in their old age. Now we are giving it out to millionaires.

The government answers on one hand by saying: "We tax it back". That is terrific. First we give away money to people who do not need it. We create a bureaucracy to give it to them and then we create another bureaucracy to get it back from them. The worst of it is that we let them keep some. The bottom line is that we cannot help the people who really need it if we keep on giving money to those who do not. That is the reason we have to address the concept of family income. It is a fair way of addressing that problem.

• (1555)

[Translation]

The Deputy Speaker: Again, the hon. member for Portneuf, this time on debate.

Mr. Pierre de Savoye (Portneuf): Mr. Speaker, there are subjects we discuss with enthusiasm. There are bills that elicit much positive feeling and that are really worthwhile.

Unfortunately, I am somewhat less than enthusiastic about speaking to the matter before the House today. This afternoon, the debate is on the motion of the Minister of Finance for third reading and passage of Bill C-14. And what is Bill C-14 about? Is it something we can applaud? Is this a bill that will give us reason to rejoice and look forward to a happy and prosperous future for all Canadians and Quebecers?

This bill is an act to provide borrowing authority for the fiscal year beginning on April 1, 1994. The operative word is borrowing, and borrowing means deficit and deficit means debt. We are