

Government Orders

Mrs. Coline Campbell (South West Nova): Mr. Speaker, I am pleased to rise today to speak at report stage of Bill C-65, an act to provide borrowing authority in the amount of \$25.5 billion that this government needs to borrow in order to carry on the business of government. I question whether it is the business of government they are carrying on. It seems to me the government is slowly leading Canada into a way of life we have not known for a long time.

It gives me an opportunity as well to draw attention to the government's mismanagement of fiscal policy, mismanagement that it steadfastly has tried to avoid responsibility for ever since it came into power in 1984. The time has long past when members opposite could credibly blame the previous administration for its fiscal wrongs. Canadians are now measuring the government's performance against its own standards and promises, not those of former governments. They see Canadian standards being torn down; VIA, financing between the provinces and the federal government, they see Air Canada being sold and having losses, they see Canadian Airlines not doing well, the deregulation that the government brought forward in these areas is not really working to the benefit of Canada.

The Minister of Finance is again asking Parliament for the authority to borrow billions of dollars and increase the public debt as a testament to his own failures. The minister's lack of action on the deficit has left the financial cupboard bare and greatly reduced the ability of the government to come to the aid of Canadians who, through no fault of their own, are in a time of crisis: Atlantic fishermen and fish plant workers, prairie farmers, and laid-off workers in all industries that are moving to the United States because of the free trade agreement.

There is no money for these people because this government will only give them money if the provinces chip in.

It has made great promises that it will give money if the provinces come in to help the prairie farmers. It has money, supposedly: give them the interest at least to keep it going until it can make arrangements with the governments on the prairies to help the farmers. It gave a program to the Atlantic fisheries last week that is going to be conditional on whether the provinces and the

companies put money in for the adjustment program and all work to use what little federal money was put in.

In September 1984 the Minister of Finance warned Canadians about the dire fiscal situation he had been left with by the previous government. I was a member in this House, and I do not think it was very dire considering the economic times we had just come through with the high interest rates and high inflation.

This is not what we have today. We have high interest rates and low inflation in comparison to that time. The minister called for a quick change in policy direction, a change that he promised would cut the yearly budget deficit in half by the end of the decade and vastly reduce the growing net public debt. He projected this debt would reach \$400 billion if the legacy of the former government was not brought to a quick end. What did he replace it with? In 1990-91 we find that the net public debt is projected to be \$379.9 billion, just slightly below what the Minister of Finance projected in 1984 and more than double what he inherited.

This is a government that had the best of economic times in the last six years. It did not reduce the deficit. It did not even cut back on government spending as it should have in good economic times. We have the largest cabinet that we have ever seen. We have so many ministers of state that people do not know where to go to get some action.

The yearly deficit for 1989-90 stood at \$30.5 billion, a mere \$4 billion below the \$34 billion deficit the minister posted in 1985-86, the first full year of Tory rule.

More to the point, the small progress that he has made on deficit reduction has come about, not from expenditure reduction as he promised in 1984, but from massive tax increases. The average family of four in Canada is now paying an average of \$3,000 more in taxes compared to 1984.

The question that remains is why is this happening. In the first place, despite the minister's well-known pride in his ability to forecast the direction of the economy, his department has consistently underestimated yearly growth rates. In 1984-85, for example, he predicted that growth would run at 4.2 per cent and 2.4 per cent respectively when in fact it ran at 6.3 per cent and 4.8 per cent. This first failure has in turn in my opinion played into the hands of the Governor of the Bank of Canada, whose fixation in achieving a zero rate of inflation has pushed the prime to 13.75 per cent. This rate is murderously high—and I will talk about that further in a