

Government Orders

has said about the necessity of replacing the manufacturers' sales tax with the GST. The argument has been that this is to make our exports and exporters more competitive. At the same time the government is raising interest rates and pursuing a high dollar, which is make them much less competitive.

In fact this indicates that we have become much too dependent on hot money, on capital that will move at the slightest fluctuation in interest rates and rely far too little on internal mechanisms to generate capital, employee controlled investments, our own pension funds, co-operatives, community development based initiatives, and different kinds of locally based investments that would in fact be possible if Canadians were left with their own money to spend.

I would also like to mention briefly the effect of the high interest rate policies on home owners. The Homebuilders Association has said that whereas two years ago 475,000 Canadians were able to afford new homes, now only 270,000 Canadians are able to afford new homes. In other words, the number of Canadians able to afford new homes has been cut in half in just two years. Less than 12 per cent of people under the age of 45 years can afford to buy the average priced home in this country. In our own province of Saskatchewan the situation has become so ridiculous in fact that there are only 82 new home starts in the first months of this year.

I would like to conclude by saying that the fiscal monetary policy represented by this borrowing bill is a disaster for the country as a whole and a disaster for individuals coast to coast. The deficit has become an excuse to pursue a monetarist, Thatcher-like agenda of cuts to ordinary Canadians, cuts where they hurt the most, and massive tax benefits and breaks to wealthy Canadians. It does not have to be this way. There are alternatives.

A 3 per cent cut in the interest rate would yield \$4.8 billion. Tax measures that would equalize the amount of tax paid and bring in a fair tax system would yield another \$12 million to \$13 million. The vast part of the deficit that we currently see could be eliminated by very common sense measures. That would allow us to invest in the kind of things like a decent education system for

our children, the infrastructure of this country, the environment, and regional equality.

However to do that we need a mixed economy. We cannot rely only on one sector. We cannot leave decisions and the ability to make investments in the hands of one sector. The government, the private sector, and the community sector all have to work together to get this fiscal and economic mess we are in under control and to get Canada moving again.

Mr. John A. MacDougall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I would like to make a few brief comments with regard to Bill C-65 and the Borrowing Authority Act, which would permit the government to borrow up to \$25.5 billion to meet its fiscal requirements.

• (1620)

I want to draw the attention of the House to an article which appeared a few weeks ago in the *Ottawa Sun* entitled "Bankrupt". It is quite an article. It states:

Argentina, once one of the world's richest nations, is broke. The treasury is empty, inflation is raging at over 7,000 per cent per annum and unemployment has reached 25 per cent.

Argentina is self-sufficient in oil and one of the world's leading exporters of meat, grain and produce.

I think that indicates what Canada is all about. It is quite interesting. The article continues:

Back in 1945, Argentina was still rich from exporting food to a warring world.

An army general named Juan Peron seized power with the backing of the nation's labour unions. Peron's strategy was simple.

Promise workers ever-increasing salaries, subsidized food and housing, health care and all sorts of other benefits.

The government would employ anyone needing a job.

Over the last number of weeks and years that I have been in this House, there have been indications by some parties that this is what they would like to do.

Bankruptcy does not happen overnight. It takes a number of years. You can see where Argentina, a country that was once self-sufficient and proud, is sitting today compared to where it was in 1945. Today, it is dealing with an annual inflation rate of 7,000 per cent and an unemployment rate of 25 per cent. It certainly makes Canadians realize how important it is to address the concerns of the deficit of this country.