

Government Orders

more productive, and restore a sense of decency and proper fiscal management to our finances is through high interest rates.”

The prime rate yesterday was 14.75 per cent. The finance minister does not see in the short term a diminution in that rate. In fact, yesterday, the C.D. Howe Institute stated that it takes at least two years for a tight money campaign to have a marked impact on inflation. It suggests that Canadians will be lucky to see any marked improvement before the end of 1990. What else is new? We have been seeing a steady climb in interest rates over the course of the last three years because the government says: “We have to protect the dollar. We have got to get the dollar at an extremely high rate. We have to attract foreign investment and we have got to develop growth and dynamics through foreign investment”.

That money is not being attracted to the manufacturing industry. The high interest rates may be maintaining a flow of foreign capital, but it is not going into the manufacturing industries that suggest that foreign capital is confident that the Canadian economy and the dynamics of the Canadian market-place are such that we should have more and more investment, that the tools for growth are there and that they are developing and that the opportunities for expansion and for consumption are actually what the market-place would say is appropriate for our investment and our confidence.

The Minister of Finance says we have to maintain foreign confidence. I do not know how we do that. You will never guess that what he is talking about, Mr. Speaker, is simply that the high interest rates will allow his government to continue to attract foreign money to finance a debt that he has created and a deficit that he is incapable of reducing.

Thinking Canadians have a different version of the way the world is unfolding in Canada. They understand the need to maintain a low level of inflation. What they also understand is that the primary source of inflationary pressures are created, not by consumer spending, but by government action: taxes, high interest rates, postal increases, tuition increases, transit increases, communications increases, transportation increases, all of which are a direct result of government fiscal mismanagement and not as a result of consumer spending. If anything, what it does is decrease consumer spending. I think that

the average Canadian is much more responsible than the Minister of Finance and his cabinet colleagues who have devised an economic plan for the country.

Most Canadians recognize that under those circumstances—and they do it in an almost suppliant fashion, because the Minister of Finance is one to beat his chest and say he is the only one who is right—a high interest rate policy is perhaps the wrong tool with which to fight inflation.

Some would suggest that perhaps the government should become more responsible in the ways in which it handles its expenditures and raises its revenues. Even the Treasurer of Ontario, Mr. Nixon, says that interest rates must come down in order to avoid an even deeper slowdown than the one that is occurring throughout all Canada. He makes reference to the fact that the rate of inflation today is not to be compared with the rate of inflation of 12 per cent or higher that we saw some eight years ago. A lower interest rate and a lower dollar will make the Canadian economy much, much more competitive.

If we are going to talk about what we should be doing with this particular bill, then we should be taking a look at the kind of economic policy and fiscal plan that the government could have in place that would attract Canadians to its side and to say: “Yes, we agree, we should expend money in order to carry out that plan”.

The government is requesting \$25.5 billion today. If we were to agree, then Canadians would be financing the Tory government’s disregard for the right of Parliament and all Canadians to debate in a serious context all those important economic and fiscal policies that impact on the social programs and the economic agendas, the contracts, both explicit and implicit, that Canadians have with their federal government.

Our position is that we cannot possibly support this bill because, in so doing, we would be undermining the fundamental social principles of Canada.

I am sorry that my time is up. I will take a leaf out of my colleague’s book and suggest that perhaps we might continue through the period for questions and comments.

Mr. Wilbee: Mr. Speaker, I sat here in amazement at times at what I was hearing. I wondered just where the hon. gentleman was sitting because of some of the statements that he made.