officials simply say they do not normally announce their borrowing plans in advance.

When asked how he can, in effect, double his current volume of borrowing without adversely affecting interest rates, the Minister said, and I quote: "You do not broadcast your plans well in advance to those who are loaning the money".

When asked specifically to detail the nature of the analysis which has been made by his Department of the impact of this borrowing on interest rates, the Minister told the Finance Committee that there was no specific analysis made of the impact of interest rates on this particular borrowing.

When asked whether he fears that borrowing of this magnitude in a short time frame—the Minister told us in Committee that he expects to have spent this money by mid-summer—will lead to higher interest rates, the Minister simply said he does not believe that there is any danger of that happening in 1983, and if he is still Minister of Finance in 1984, he will be happy to let us know his views at that time.

When asked why the Government does not split this Bill and borrow part of the money before the budget and the rest of it later in the year, the Minister says he will be back for more money later in the year as it is. He implies that he does not trust Parliament to approve his borrowing requirements. In fact his whole stance before the Committee seemed to indicate that it was easier to borrow the whole batch now rather than subject the Government to parliamentary scrutiny again in the near future.

The only emphatic stance he took at Committee was to underline his need to get the whole $19 billion through now. For instance, when I asked him if he was going to exhaust the $14 or $15 or $16 billion by summer, that that implies that he was going to borrow an awful lot of money in a limited time, the Minister said "absolutely".

These are not the kinds of answers which inspire much confidence in the Minister as a prudent and knowledgeable manager of the fiscal side of the economy. They are not the kind of answers which inspire confidence in the hearts of businessmen who must plan now for plant improvements or possibly even plant expansions in the future.

People have been so stung by the vicious swing in interest rates in the last little while, their fingers have been so burned, their pocketbooks so emptied and their credit ratings so strained, that they want—they demand—some sense of stability about interest rates in the future. They want, and increasingly they demand, some guarantee that they will be able to pursue their plans, that they will be able to invest their money, that they will be able to place their orders for new equipment and materials without suffering the shocks they incurred during the great recession.

There is some evidence that this reluctance to proceed on the basis of future growth is already threatening inflationary pressure on the economy. Recently leading economists have told me that even though there are encouraging signs of recovery, businessmen are still reluctant to call back laid-off workers, or to restock their inventory, or to start producing enough production runs to meet anticipated demands. It is clear that consumers who are still saving at the rate of about 13.4 per cent of personal disposable income are not rushing out to spend their hard-earned savings on new cars, new appliances or a whole variety of consumer goods.

• (1115)

Statistics Canada predicts that the Canadian economy could show real growth in the first quarter of this year after declining steadily for six quarters and contracting a full 5 per cent in 1982. Statistics Canada is suggesting that a cyclical upturn may be at hand, if it is not already under way, but we know that this recovery must be nursed with tender loving care. We know that a national recovery plan is imperative if we are to put people back to work and to hire the young Canadians who are entering the labour force.

Yet at the same time we know that the size of the deficit in the coming fiscal year will be about 8.5 per cent of GNP. That is the highest percentage in the industrial world, with the exception of Italy. We know that the $30 billion deficit, which the Minister has indicated he may require in the fiscal year, amounts to roughly half the total savings of Canadians.

We know that employment in Canada dropped 5.5 per cent last year compared with only 1.5 per cent in the United States. We know that the amount which the Minister and the Government is asking Parliament to approve is equal to the size of the entire budget of the whole country ten years ago.

We feel that the Government can send a clear signal that it plans to regain control over Government spending, that it will attempt to master the country's economic problems, that it will mount new and effective job-creation programs by measures targeted at increasing economic growth without resorting to unlimited borrowing. That signal would be a move by the Government to split this borrowing authority. That would be a responsible course of action, one for which Canadians are waiting.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, once again I am very pleased to rise in the House to address Bill C-143, an Act to borrow $19 billion, only to realize that this is a totally impossible request which the Government is making of the House of Commons. The reason I say it is a very impractical request is that I believe we are seeing across the aisle a Government which is essentially adopting the Christopher Columbus school of economic theory.

I remind the Minister of State for Finance (Mr. Cosgrove) that it was Christopher Columbus who set out on a mission on borrowed money. As a matter of fact, not only was it borrowed but it was borrowed from a foreign country, and he was dependent upon foreign decision-makers as to what he could do. He set out and on the way he lost some ships because they were buffeted by winds, just as the Government is obviously buffeted by the winds of public mood. One day the ship of state is lurching in one direction; the next day it is lurching in another direction.