

Borrowing Authority

Part of the taxation environment is better control of the spending practices. After all, inflation is a form of taxation from which no benefit accrues to anyone.

Part of our dilemma today is the fact that some expansion has taken place during high inflation and that inflated capital purchase is being paid for today. I cannot help but feel that we should look closely at the whole tax system, the way we value inventories, the way we depreciate assets and begin to rebuild our economy around a clear-cut tax system upon which long-term financial plans can be made. That is what we should be doing rather than throwing rhetoric back across the floor of the House of Commons. I believe we have the capacity in this House to do that.

Part of the reform would be a commitment to put in place better spending controls and a commitment to reduced borrowing. We need only read the daily press and the annual Report of the Auditor General to see the mess we have in financial control, or we can look at the mess in the control of Crown corporations to see the difficulty we face. The massive borrowing of Crown corporations, which in most cases is beyond the control of Parliament, certainly in almost every case beyond the control of Government, is one of our most serious problems. The contingent liability of the Government is rising dramatically directly as a result of the lack of control over the capital and operating expenditures of Crown corporations.

What all this leads to is a lessening of the amount of funds available to the private sector which could be used to finance capital expenditures needed to create long-term employment. I know there are some economists who will say it does not have that much effect. There is a mental hurdle that we must overcome, because it has an effect on the people in the private sector who closely watch interest rates and inflation rates. The fact that there is a continuous demand for funds by the Government with no meaningful attempt to reduce and control expenditures will surely drive up interest rates and fuel the resurgence of inflation.

In its recent comment on the budget, the C.D. Howe Research Institute said, and I quote:

The commitment contained in the budget to reduce the deficit is not a convincing one.

Canadians are not convinced the federal Government is really giving anything more than lip service to a reduction of the deficit. Until they are convinced that there is a commitment, there will be little change in capital investments that are so desperately needed in this country at this time.

Mr. Girve Fretz (Erie): Mr. Speaker, I am pleased to share a few thoughts today regarding the supplementary borrowing authority which the Government is seeking through Bill C-151. The proper allocation of authority is vital to the survival of Parliament, but by whose authority are expenditures to be improved and laws made according not only to the traditions of this country, but also of other representative democracies throughout the free world? Is it to be done through Order in Council or in the lofty ivory tower of the Cabinet? No, Mr. Speaker, it should be discussed here in the House of Commons before people elected by the citizens of the country where

decisions are made with the safeguarding of the best interests of the people of Canada in mind. These decisions are not, and I repeat, not to be made with the narrow partisan interests of the governing Party in mind.

• (1600)

Yet time and time again in the House we see gross examples of political engineering and manoeuvring instead of face to face negotiating on these very important points of borrowing authority and expenditure approval. I wonder if any self-respecting bank manager would lend money without having a fair idea of where that money was going and how it would be paid back. Of course not. Yet the Minister of Finance (Mr. Lalonde) refuses to disclose why \$1.5 billion of his projected deficit cannot be accounted for. Not only that, but what contingencies does he have in mind when he asks for \$14.7 billion through Bill C-151, yet only requires \$10.7 billion for current needs? Is the clandestine setting aside of \$4 billion for needs not yet known a responsible procedure? Where is the accountability to Parliament? Where is the accountability to the Canadian people? I believe that this is contempt of parliamentary tradition.

The word "tradition" is used by certain Cabinet Ministers who refuse to comment on allegations of scandal in major Crown corporations. Yet their colleague in the finance portfolio has, time and time again, broken the traditions of the House. Notably, he has broken the traditions by his refusal to resign over the budget leak and now by his release of budget figures that do not add up and borrowing estimates that are far too generous.

I believe, Mr. Speaker, that the Canadian public is tired of these kinds of shenanigans. The cart is losing direction because it has been going before the horse for too long. Why not do things in the proper order and let us know exactly how these moneys will be spent before requesting capital for "prudent financial housekeeping", as the Minister of State for Finance (Mr. Cosgrove) once put it? Any of our nation's homemakers will tell you that he could never stay afloat with this kind of financial housekeeping.

Two months ago, the Government came before the House to ask for some \$19 billion in supplementary borrowing authority through Bill C-143. We recall some of the vague remarks that were made about current demands on the public purse due to income tax refunds and other supposedly unexpected requirements. We now have before us a similar Bill, and we in the Opposition are still wondering exactly how the money that is requested will be spent. I must admit that the budget offered a few clues as to how taxpayers' money will be spent in the next few years. There is no doubt as to the specific allocation of a certain sum of \$200 million. Indeed, that allocation could have been interpreted as a recovery measure to sustain employment levels in high Government positions. We know that it aided the Minister of Finance substantially in keeping his own job.

However, the real theme of the budget is expenditure, not recovery. As a past master of the art of spending taxpayers'