

Borrowing Authority Act

amount of the deficit which we know will have to be covered by borrowing. I realize that there is a technical aspect to this that I cannot explore in the time allotted to me today, but I suggest that the House would be much better served if the borrowing authority were included in the approval of the Budget which presents to the House expenditure estimates and the projected amount of the deficits every year. Of course, the House votes on that and approves the estimates and the amount of the projected deficit.

I am not certain if it would require a change in the Financial Administration Act but changes should be made. It would certainly be beneficial to the House and the country. If this were done it would have avoided the introduction of seven borrowing Bills in the first session of this Parliament. The House is aware of how those Bills often tend to drag on. All of these borrowing Bills, approvals and deficits have added up to a huge amount of money being borrowed and therefore owed.

● (1140)

The total debt outstanding at the end of March, 1983 was estimated at \$160 billion. That is comprised of \$115 billion in unmatured debt as shown in the public accounts and an estimated \$45 billion which is owed by Crown corporations and therefore is a contingent liability, if not a direct one, of the Government of Canada. At an average rate of interest which can be gleaned from the public accounts, the \$160 billion requires levies of over \$17 billion—it was \$17.6 billion in 1983—just to pay the interest on the outstanding debt.

To put that amount into perspective, I return to the summary table of the tax book and find that that amount of federal taxes is reached when we take the total federal income taxes paid by the vast majority of the 15 million individual taxpayers. It is not until we collect the income taxes of every Canadian earning \$40,000 or less that we collect an amount of \$17.6 billion. If we told the 95 per cent of Canadian taxpayers who earn less than \$40,000 that their total contributions to the federal coffers would go to cover the interest on the national debt, I think they would come here and have some harsh words with the Minister of Finance (Mr. Lalonde) or perhaps his Parliamentary Secretary. That is a shocking statistic as well.

Fortunately for the Government opposite, Canadians at this moment are saving money at an alarming rate. It is alarming for a number of reasons, one of which is that it is three times the savings rate at the moment in the United States of America. Also it is alarming because it demonstrates the frame of mind of Canadian taxpayers at the present time. Even with the present high rate of savings, the borrowing Bill will absorb 93 per cent of all projected savings of Canadians in the coming year.

Why is that an alarming statistic from Canada's point of view? The reason is that Canadians are afraid to spend their savings because they know very well that they may need that money if they join their brothers on the unemployment lines, in which case they will be in danger of being unable to feed, house or clothe their families. We know the trouble Canadians have had holding on to their houses in recent years. Fortunate-

ly for this borrowing Bill, there is a crisis of confidence today which is forcing Canadians to save at the highest rate possible. However, more importantly, we must have as soon as possible an opportunity through an election for Canadians to state that they want a different force or thrust from their government, a thrust which will restore confidence in Canada and encourage Canadians to spend their money and rejuvenate the ailing economy, and many of those unemployed Canadians will become contributors to society instead of being a drain on it.

Mr. Girve Fretz (Erie): Mr. Speaker, I should like to share a few thoughts today with the House regarding the supplementary borrowing authority the Government is seeking through Bill C-21.

Tradition demands that the Government obtain parliamentary authority in order to borrow new money. This Bill certainly involves that. It involves plenty of new money, in fact \$29.5 billion. I think that is enough to boggle the mind, and this year we did not even have a Budget leak which needed plugging.

Can we believe it, the Government is actually coming to Parliament to ask for \$29.5 billion. I think we should ask ourselves why it needs this money. Is it because the Department of National Revenue is not working hard enough to collect money from ordinary taxpayers? No, I do not think that is the reason. I believe they are gouging taxpayers more and more, especially those whose incomes are barely enough to see them through. These are the people who cannot take advantage of tax deductions such as the impending \$15,000 deduction for RRSPs which benefits those people with incomes of \$86,000 or over per year.

Meanwhile, as a Member of Parliament I am faced in my constituency with dozens of cases of small-business people and low-income earners who have literally been hounded for their last dimes. Obviously the revenue end is doing its best. In fact it has been carried to the point of absurdity.

Why, then, is there a need for more money? The answer is government extravagance. With regard to the deficit, we are making the same progress as a man falling down an elevator shaft. There seems to be no shame; the deficit just continues to increase. I know what we will be hearing in the next few days from the gang across the way. We will hear that there are heavy demands on the public purse due to unexpected requirements such as pre-election gimmicks and Budget tricks. We may also hear from government back-benchers justifying the borrowing authority and the embarrassing and frightening deficit on the grounds that it is inevitable spending, that somehow they have done their best and that we over here should accept it. Their best is just not good enough.

Figures abound to confirm the fact that government spending has risen much faster than the Consumer Price Index or the Gross National Product. I think the term "gross national deficit" should be implemented as part of our language. The deficit is gross. It is inexcusable, as are the attempts by the Government to justify the recent increases in interest rates to prop up our sagging dollar. This is happening because inves-