

Borrowing Authority

plain arrogance. I was even searching for a word that would adequately describe the attitude of the Minister of Finance (Mr. Crosbie) toward parliamentarians.

An hon. Member: Impossible.

Mr. Herbert: Because we have been treated to some stale jokes, maybe a word like pomposity is the best way to describe the attitude of the Minister of Finance. I find it almost impossible to believe that a minister would reach so far down to try to get his own way, to try to control what are and always have been accepted as independent committee activities.

By our tradition, the committee has been master of its own fate, yet we saw a deliberate attempt to interfere with the committee operation, I believe rather foolishly a futile attempt because, in the long run, it will not help either the Minister of Finance or the present government. Unfortunately, as one of my colleagues commented, it has seriously embarrassed members of his own party. It must have particularly embarrassed the chairman of the finance committee whom I might personally term one of the good guys on the other side. There are not many, but he is one of them. In fact the vice-chairman must have been embarrassed too because he voted with the members of the opposition parties in the finance committee supporting what I looked upon as a vote of censure of government ministers who could not find the time to appear as witnesses before the committee. But let me, after those introductory remarks addressed to the Minister of Finance, make some comments on the borrowing bill itself.

● (2020)

Some hon. Members: Hear, hear!

Mr. Herbert: The Minister of Finance has stated in this House that the borrowing authority he has requested in this bill has been reduced by some \$3 billion. He says one of the reasons is because the Tories have the hon. member for York-Peel (Mr. Stevens) as President of the Treasury Board, thus inferring spending cuts. But the Minister of Finance then states that the reduction is possible because the government is using unused borrowing authority carried over from previous years. I find there is a little bit of conflict between those two statements simply because the fiscal year is now some six months gone. Government cash balances in this six-month period have dropped by nearly \$4 billion and new net borrowings in the same period amount to nearly \$3 billion. Thus, some \$6.5 billion has been used up by the government in the first six months of this fiscal year. The Minister of Finance himself admitted that the figure was in the order of \$5.5 billion, and I suppose between the Minister of Finance and me we shouldn't quibble about a billion dollars. Adding to this amount the \$7 billion requested in the authority bill gives us a total for this fiscal year of some \$13 billion, far greater than the \$10 billion requested in the last Parliament by the previous government.

This increase in borrowing authority, the \$6 billion—\$5½ billion, \$6½ billion, depending on the way we count the figures—plus the \$7 billion in the bill can only be attributed to

[Mr. Herbert.]

one of two alternatives, either an increase in spending over that anticipated by the previous government, or a decrease in revenue from that originally forecast. Or, of course, it could be a combination of the two.

However, it occurs to me that there is another possibility. The Minister of Finance could be padding his borrowing authority in order to take care of an increased deficit caused by unwise, unwanted, and ill-conceived spending programs. As one example, I refer to that incredible folly, the mortgage interest deductibility program which, by the minister's own conservative estimates, will cost the nation \$2.3 billion in a full year. Add the inflationary factor and the probability that each and every spending estimate is on the low side, and we can anticipate in a few years an unconscionable and totally discriminatory give-away from the public purse of three or four billion dollars a year. Using the minister's low estimate, the cost to each and every taxpayer in this country will amount to 15 per cent of the personal income tax they presently pay, that is, 15 per cent more to be paid, or the elimination of an opportunity to reduce taxes by 15 per cent.

The tragedy of the plan is that the cost must be borne by every taxpayer in the country whether they own homes or not, and whether their homes are mortgaged or not. Every taxpayer, tenant, pensioner, single family head, as well as the wealthy, everyone who pays tax will be contributing 15 per cent of their personal income taxes to those who have mortgages on their homes.

We acknowledge that mortgage interest rates are now too high. As a builder I am well aware of the problem which present high mortgage rates present. We know that construction costs are making it extremely difficult for lower and middle income level persons to buy their own homes. But there are a multitude of better ways to help those who are really in need, without resort to a give-away program which could be so costly for renters, pensioners, and those who have strived for years to pay off their mortgages. It is this total irresponsibility on the part of the present government which is to blame, together with the attitude of the Minister of Finance that, come hell or high water, election promises are going to be kept, no matter that only 2 per cent of the population voted for the Tories because of their mortgage interest deductibility program, no matter that Quebec French-speaking residents will receive scarcely more than half the per capita amount received by their English-speaking fellow Canadians who have mortgages on their homes.

The Minister of Finance is going ahead despite the advice of senior departmental officials and is, by so doing, building even larger future deficits which are going to require even larger requests for borrowing authority than that which is contained in this bill. Of course, there is another alternative. The minister who was responsible for social programs until he was transferred or demoted—I don't know what the reason was—would cut old age pensions. Pensions or mortgage interest deductibility? Could any person of sane mind opt for a campaign promise at the expense of the poor?