

Borrowing Authority

representatives of the people of Canada being asked to vote the Government what amounts to a \$4 billion slush fund, which is what it is going to be?

The strategy becomes clear. We heard in the presentation of the Minister of Finance his plan to come forward with some 100 or 200 capital projects, but he would give no details. What we have in the offing is one of the greatest pork barrel operations in the history of the Liberal Party. You know, Sir, as well as I do that they have had some in their time, but this is going to be the greatest. This is going to be a \$4 billion pork barrel operation. We are going to be faced with the spectacle of Liberal Cabinet Ministers traversing the country from one end to the other, shovelling out dollars in an attempt to buy votes for the next election. It is an act of desperation.

We can already see this happening. As an illustration, the Minister of Indian Affairs and Northern Development (Mr. Munro), who was here in his place a few minutes ago, a week or so ago took the Government JetStar, flew to Whitehorse and chartered a plane from there, at great expense to the taxpayer, to go to Faro to make an announcement. It was not necessary for him to go there; he has offices in Whitehorse. The announcement could have been made by officials in his Department. It was an exercise in publicity. That is what the Liberals are after; they are trying to get political credit for something of which they are not worthy.

Just yesterday the same Minister was in Port Dover, Ontario. Even if it can be said that he had a legitimate reason to go to the Yukon, being the Minister of Indian Affairs and Northern Development, he had no real business whatsoever going to Port Dover to announce a \$2 million project, financed presumably out of the illicit proceeds of this Bill. He made the announcement in the riding of Haldimand-Norfolk for strictly political reasons. Unprecedented.

I understand the same Minister is today on a similar pork barrel trip to the riding of Western Arctic where he is going to make some announcements which just could as easily be made in Ottawa.

• (1115)

Let us look at the use of some of those funds that the Government allocated in order to buy votes for the Liberal Party. Look at the water bomber fiasco. We are going to buy a bunch of those things at \$6 million each. Two will go to my riding. I know the forestry people there pretty well and they have never asked for a water bomber of that type. They have a pretty good system now. The fire season is only two or three months a year and they can hire on contract Canadian firms with expertise in water bombing. At other times of the year these bombers can find employment in other places in Canada or South America. They did not ask for Canadair water bombers; they were forced on them. This is just a mechanism to show that the Government is spending money but it has no real reason attached to it. There is a good deal of doubt about the efficiency of that type of aircraft operating in those areas. We do not know what they are going to be doing for the

balance of the year; they will probably be sitting on a runway doing absolutely nothing for nine months of the year.

The \$14.7 billion that the Government wants to borrow under the authority of Bill C-151 is by no means the total amount it will seek from the capital markets of Canada or abroad. There will also be considerable borrowing by Crown corporations and we do not know what that will be. We might be able to forecast the increased interest rates that businessmen and home owners will have to pay as a result of the Government borrowing this \$14.7 billion, but we do not know the requirements of the 300 or 400 federal Crown corporations.

I want to emphasize the point made to Parliament by the Auditor General, who suggested it was high time that Parliament regained some control over the financial affairs of Crown corporations. At the present time they operate in the dark and are hidden from public scrutiny.

When we look at the projections made in the statement of the Minister of Finance on April 19, we find one reason why the Government may be asking for \$14 billion more. A number of people, including myself, have suggested that the revenue figures included in the budget are suspect. They may be a little higher than the Minister can really expect. They are predicated on an increase in the Gross National Product that may or may not take place this year. Even if it does, there is always a lag between an increase in the general wealth of the country and the increase that comes as a result of that in the form of public revenue. Profits will not be recorded for some time and taxes payable with respect to those profits, especially because of the carry over provisions of the new budget, will not catch up for some time.

We also predict that there will be high unemployment in Canada for some time to come which will necessitate payment of Unemployment Insurance benefits in excess of those covered by the premiums collected. There will also be a decline in revenues from income tax from those people who are not employed.

I suspect the figures contained in the speech were put there to make the Government look good when it knows that it is being overoptimistic and will have to use some of that \$4 billion excess borrowing authority to make up for the loss in revenue which will be lower than was predicted in the budget documents.

• (1120)

I want to take a quick look into the financial future of Canada, Mr. Speaker, our future over the four-year term as expressed by the Minister of Finance in his budget speech. Using his figures the projected cumulative deficit in the next four years will be \$112 billion. The interest payable over that term will be not less than \$77 billion. This, Sir, is what the Minister of Finance predicts or promises and, evidently, it is his most optimistic scenario. But what will happen if times are not quite as good as he imagines? This has happened several times in the past when Government has come in with projections which have later been found not to be reliable.