

*Borrowing Authority*

My friend says that the Labour Party did that deliberately, with malice aforethought. Perhaps that is what we ought to do, or perhaps this Labour Party would have us do what the Labour Party has done in Israel. That Labour Party turned on the printing press. It made it so that its currency is not worth anything. In Mexico—there is another Labour Party—you do not quote the price of a house in pesos; you quote it in American dollars. Nobody will take their money.

**An Hon. Member:** A Labour Party in Mexico?

**Mr. Blenkarn:** I believe it has socialist in its name. I am sure my friend does not like it, but the fact of the matter is that we are trying to build a solid economy. We do not like borrowing. We wish we did not have this Bill. We think we must unfortunately present this Bill. We want to say that this Bill is a solid, fair answer to the problems that the country faces.

**Some Hon. Members:** Hear, hear!

[*Translation*]

**Mr. Gauthier:** Madam Speaker, in Bill C-11 before the House today, the Government is asking for the authority to borrow \$24.8 billion, as may be required for public works and general purposes.

Madam Speaker, we know that a substantial part of the \$321 billion debt which Tory Members like to blame on a previous Government— We know that this debt has doubled in the past two years. We know there is a lot of rhetoric about this debt. I want to ask the Hon. Member who is, after all, a man to be taken seriously, a Member who is known in this House for his understanding of economics— There is a substantial part of this so-called debt which is caused by the Government's borrowing of public monies. I am referring more specifically to the Canada Pension Plan which represents about \$49 billion of this debt. I am also referring to public service pension plans, including the RCMP and the Armed Forces. This is another borrowing authority regularly used by the Government, and one that it must record in its accounts.

There are aspects of this so-called accounting that need explaining, and I would take the Hon. Member at his word and ask him quite simply, in public, to explain to the House which part of this public debt he so deplures. So many of us do, but I want to know which part he deplures more specifically as chairman of the Finance Committee? What part of this public debt is really money received by the Government in the form of

contributions from so many Canadians who work for the Government, including the Armed Forces and the RCMP, and the contributions we all have to make to the pension plan? What proportion of the debt is the result of accumulating these debts over the years, money that is owed to Canadians?

[*English*]

**Mr. Blenkarn:** The \$320 million is the amount of money owing by the Government of Canada to bring into good standing the pension advances made. One of the reasons this borrowing authority Bill is not for the deficit of \$30.5 billion and only for \$20.5 billion is those particular situations the Hon. Member speaks of.

Those are obligations of Canada and are included in the \$320 billion. They represent something in the order of \$80 billion of the outstanding amount. About \$50 million, unfortunately, is owed either to foreigners, the balance to Canadian pension funds, life insurance, Canadian individuals and savers. That is a very great sum. The whole amount is owing. The whole amount eventually must be available. What we are talking about in this Bill is money borrowing from the street, not from ourselves so to speak.

**Mr. Riis:** Madam Speaker, Bill C-11 is a Bill to borrow \$24,800 million. If we listen to the exciting speech of the Chairman of the Finance Committee, he talks about the need to reduce the debt and the deficit. Everyone agrees.

I have two specific questions to put to the Member. First, there are not many things that we look to the United States and say: "Listen, that is not a bad idea; maybe we should adopt that in Canada". I know the Government thinks that we should adopt almost anything American, but there are some good items.

**Mr. McDermid:** Your Leader keeps suggesting that.

**Mr. Riis:** Yes, the Leader of the New Democratic Party today said that maybe there was a lesson we should take.

I want to ask a question of the Member. Down in the United States when one makes income from capital gains by speculating on the stock market or in land or whatever, one pays tax on it. As a matter of fact, almost every country in the world taxes capital gains as income, but not this Government. Oh, no. As a matter of fact it says that if one speculates on the stock market or on anything and make \$100,000, one does not have to pay a single penny in income tax.