

Supply

By the end of December the government had already used \$6.2 billion, or 73 per cent of that cash requirement and, of course, everyone knows that spending accelerates in the last few months of the fiscal year. Thus as early as December it was evident that the government might be in deep trouble and in need of further borrowing authority. What incompetence it shows when it did not accept that fact—what ineptitude. The government had already taken the necessary steps when in December the bill to amend the Income Tax Act was passed providing it with an additional \$9 billion borrowing authority.

The depth of the problem is even more evident if one compares the latest request with statements made by the Minister of Finance in a speech made on second reading debate on the income tax amendments last November. At that time the minister made the following statement—and these statements are germane—they are right to the point because they indicate they do not know what they are doing over there. They have lost control. It is an ad hoc approach, which is amazing, given the fact that they have been in power for the past years—

Mr. Woolliams: 44 years.

Mr. Alexander:—it is just amazing, and yet they think they can go to the people and say, “We are the messiahs”. Do you know what the Minister of Finance has been telling the Canadian people?

Mr. Woolliams: I have no idea!

Mr. Alexander: Well, just listen to this. My good friend, the hon. member for Calgary North (Mr. Woolliams), says he has no idea. This is what the Minister of Finance said regarding spending on November 7, 1977, as reported at page 646 of *Hansard*:

The increase in borrowing authority sought at the present is to cover estimated financial requirements into the next fiscal year and to provide a substantial margin for contingencies.

In another great statement reported on the same page, he said:

The government also needs a large contingency amount to provide it with flexibility in planning next year's Canada Savings Bonds' campaign.

Later, in yet another great statement, he said:

The increase in the borrowing authority will serve to cover our financial requirements well into the next fiscal year and will provide a cushion for contingencies.

These statements give a clear indication that the \$9 billion increase in borrowing authority would be sufficient for the coming fiscal year—at least until after the Canada Savings Bonds' campaign, which does not even begin until September. Where is the credibility of this government, Mr. Speaker? No where. Why should we trust this government? Why should we accept what they say now as being a fact? When we refer to these statements, we see that the minister said, I am asking you for increased borrowing authority, but it will be enough. It will be enough to cover everything, including any contingency. Yet, Mr. Speaker, less than four months later the government is back again asking for a further increase in the borrowing

[Mr. Alexander.]

authority. Well clearly, the situation is out of control, and it is time for the government to take a hard look at its spending of proposals.

Part of the problem, in my view, exists because the government tries each year, when it tables its main estimates, to fool the Canadian public and parliament with regard to the amount of additional spending that it is actually planning to undertake. In reality, ministers seem to be fooling nobody but themselves. As the hon. member for Calgary Centre said, they play a flim-flam game. It happened last year when the government tabled the main estimates and talked about a 7 per cent increase in government spending. They conveniently forgot that there would be supplementary estimates and thus projected a cash requirement of \$6.4 billion. Sure enough, along came the supplementary estimates of \$1.9 billion. In October, the Minister of Finance raised the cash requirement projection to \$8.5 billion and he had to ask for increased borrowing authority.

Just two weeks ago the government slipped in another \$1 billion in the second set of supplementary estimates, and now it is requesting further borrowing authority. Where is the government taking this country? All I can see is bankruptcy and economic disaster.

I thought I heard somebody mumbling and trying to intervene, Mr. Speaker. I suppose they are mumbling in shock at what is going on in government circles. Here we are, on the same merry go round this year. In tabling the main estimates the President of the Treasury Board talked about how he has controlled government spending to a 9.8 per cent increase. In fact, if anticipated further supplementary estimates are taken into account, the spending increase will likely be closer to 13 or 14 per cent. Undoubtedly the cash requirement will have to be increased again when the government comes around to the realization that it has not controlled spending to 9.8 per cent at all. Once again ministers are fooling only themselves.

● (1612)

We are concerned with the approach this government takes when it comes to placing matters before the Canadian people. Ministers deceive, they mislead and they are less than honest. Why should we have to accept this as a philosophy of life, of parliamentary life? That is not our position. We believe in openness, in coming clean, in freedom of information. Now this government asks us for another \$5 billion when we were all under the impression that it had its borrowing under control. Why should we give it to them? It is time that this flim-flam and shell game came to an end. The government should make a serious attempt to review its expenditure program and reduce government spending. It is time to be honest with the Canadian people. Sneaking in an extra billion dollars of expenditures and an extra billion dollars of borrowing authority throughout the year is not the solution to Canada's seriously deteriorating economy.

As I said earlier, Mr. Speaker, what we need is a new bureaucracy within the department of the Minister of Finance. Apparently their forecasting was wrong. As long as their