

Borrowing Authority

takes a fancy to; that it would show what it proposes to spend in the following 12 months, how the money is to be raised, whatever revenues can be raised and then tell us if there is to be a shortfall, and that during the following 12 or 24 months it will be required to borrow or will be able to repay some of that borrowing from revenues, and some of it will have to be carried as a debt.

I think that kind of financial system would go a long way toward allaying the fears of a great many Canadians who are worried about the kind of government we have, and about its ability to pay the bills.

The government does not spend its own money, Mr. Speaker, and I am sure hon. members know that. It spends our money, the money of people who are not working or who are threatened by the economic downturn; of people who are concerned that their children will not be able to find jobs or who are unable to find jobs themselves within their own communities. All these people are very concerned about the expenditures of government and the way government decides to commit their money.

This afternoon I questioned the Minister of Industry, Trade and Commerce (Mr. Gray) about his announcement of a \$200 million guarantee for Massey-Ferguson shares. I inquired if he could tell us if any of the other five major governments, British, French, German, Italian and the United States are concerned about Massey-Ferguson's future, and had made similar kinds of guarantees? Which governments have been asked and responded with similar kinds of guarantees? Mr. Speaker, only one of the five even entertained Massey and that is only because it had a commitment from Massey to maintain operations in the United Kingdom. That government got a commitment from Massey that it would maintain the Perkins engine plant at Peterborough and would maintain the truck plants in Manchester and Coventry. What the company got from that government was: "Yes, we will assist, but in return for that assistance, we will expect new development to take place in the engine plant." Incidentally, this was guaranteed by Massey. This new development will be an attempt to put together British Leyland and Massey for the production of the new combination diesel petroleum fuel, which is combustion engine fuel. They got commitments from Massey that it would maintain its investment and employment at the tractor plants. But what did we get? The minister says, "Well, we do not have an agreement yet." The minister also says, "Massey is going to do good things." We all hope it is going to do good things. But, damn it, we are committing \$200 million which, presumably, we will have to borrow since it is not provided for in the budget. If we do commit \$200 million which in government expenditure is not a great sum, but is to the average individual, then the least we can expect from the firm involved is that it makes ironclad commitments against which it has to perform; commitments for employment which require them to pay penalties: penalties which must be paid in other parts of the world if they do not live up to their promises.

● (2030)

There should be commitments in Canada to develop product lines in keeping with world demand. That is what we expect in return. That does not mean we are not prepared to make the commitment of dollars in support of the firm. It means that in return, as in any other enterprise, we would ask that there be a clear and understandable commitment in writing to the Canadian public, to the people who work for Massey-Ferguson, that there will be a significant Massey operation in Canada with a world mandate. That is what the measure of it is. That is what the minister fails to understand. That is what is wrong with the government's expenditure programs. The government commits money without giving any consideration to what the total cost is to the Canadian taxpayer or to whom it will benefit.

The government is now in the midst of negotiations with Chrysler. Chrysler is looking for a continuation of the commitment made last year. Chrysler wants the government to continue to back a \$200 million guarantee. But they want that in return for a much reduced commitment of investment. The commitment of investment they made a year ago is not worth the paper on which it is written. What they committed themselves to do in Canada was to build a product line already obsolete. The government then asks that we authorize the borrowing of additional funds while it guarantees loans to major corporations who, through mismanagement, have failed to provide the necessary good judgment to keep the economy of Canada strong. The government has committed moneys to these companies without any tangible way of enforcing the commitments made by the companies to the people of Canada.

I suggest to you, in the event I sound negative only, that the answer to the Chrysler deal is obvious. It was obvious a year ago. It is equally obvious today. We must have investment in Canada proportionate to the total sales in Canada which must be undertaken concurrently with investment in the United States.

If the sales ratio is five in the United States to one in Canada, then we should have 20 cents invested in Canada in new product line and development for every dollar invested in the United States, and each made at the same time. That is commitment. That is measurable. You know then you are going to receive at least a fair opportunity to be part of the new and expanding operation of the Chrysler motor company. I suggest that kind of commitment, together with an equity position in either Chrysler or Massey—or both for that matter—would show sound judgment. It would, therefore, give a large number of people some confidence in voting the necessary authority for this government to go into the marketplace and to borrow even further.

This is what is wrong with the process we go through. There is nothing in the estimates placed before this House for loan guarantees for these companies. We have not had a chance to deal with them anyway, but even when the time comes we would be unable to pass any kind of reasonable judgment about the appropriateness of the money being spent by the government in these undertakings. The minister does not have