

# HOUSE OF COMMONS

Tuesday, March 22, 1983

The House met at 11 a.m.

● (1105)

## GOVERNMENT ORDERS

[English]

### SUPPLEMENTARY BORROWING AUTHORITY ACT, 1982-83 (NO. 3)

#### MEASURE TO ESTABLISH

The House proceeded to the consideration of Bill C-143, to provide Supplementary Borrowing Authority, as reported (with an amendment) from the Standing Committee on Finance, Trade and Economic Affairs.

**Mr. Don Blenkarn (Mississauga South)** moved:

That Bill C-143, An Act to provide supplementary borrowing authority, be amended in Clause 4 by striking out lines 19 and 20 at page 2 and substituting the following therefor:

"exceeding in the whole, one dollar, as may be required for public works and".

**Miss Pat Carney (Vancouver Centre):** Mr. Speaker, this is the third time that I have risen in the House to debate Bill C-143, an Act to provide supplementary borrowing authority for the Government of Canada. In the past we have expressed our concern over the size of the borrowing authority which the Government is asking Parliament to approve. We have expressed alarm over the apparent lack of accountability by the Government in requesting permission to borrow \$19 billion without, in our view, adequately presenting a valid case.

Today I want to stress the adverse effects that this Bill may have on the fragile recovery which may be stirring in the Canadian economy. In particular, I want to outline some of the dangers inherent in this Bill which might start interest rates on an upward course again, a course which has proved so destructive in the last two years, which has wreaked so much hardship on people and their families and their plans for the future, and which has proved so damaging to the national incentive to sustain our farms, our plants, our jobs, and our hope for the future. It is a concern which is apparently not shared by the Government.

There has been considerable debate on this Bill, Mr. Speaker. It has already been through first and second reading and we have debated it in committee hearings until two o'clock in the morning. We are now at report stage and our Party alone has at least 25 MPs who are anxious to discuss its implications for our country and our constituents. We are no closer to the

answers we sought than we were when we started. We have been asking all the right questions; let me repeat some of them.

Why does the Government need to borrow billions of dollars in a Bill of this magnitude? Where are the Government's financial forecasts to show how this borrowing fits into an over-all fiscal framework or game plan? Exactly how is this borrowing going to affect borrowing in the private sector? How will borrowing on this scale affect the ability of Provinces to borrow funds for their deficits? Will the Provinces and the private sector be crowded out of the money market, the source of much of the required financing? Is it all the Government requires in the fiscal year which is facing us? Exactly how will the Government arrange this borrowing in the time frame it has set? Will it strangle or choke off the uncertain and diffident recovery which may be under way? Why can the Government not split this Bill into smaller stages, returning to Parliament to borrow as the money is required?

● (1110)

The answers we have gleaned from the Government to date have been all the wrong answers. They have been vague and simplistic. At best these answers have been evasive. At worst they have been openly hostile to Parliament and to the parliamentary process.

Let me give some examples. When asked why the Government needs to borrow \$19 billion now, the Minister of Finance (Mr. Lalonde) simply says "to pay the costs incurred by the recession". When asked for its fiscal forecasts, the Minister says simply to wait until spring when he may introduce a budget. When asked how this borrowing is going to affect the economy, the Minister says neither he nor his Department has done the necessary studies to identify the kind of impact which could be generated on interest rates.

When we express our concern over the ability of the private sector and the Provinces to raise money from the limited resources available to them in Canada, the Minister states that corporations are not borrowing anyway and he implies that the Provinces can look after themselves. He dismisses any possibility of crowding these potential customers out of the money market.

Faced with his own statement that the Government has been borrowing at the rate of roughly \$500 million a month, the Minister states flatly that he expects to borrow in the neighbourhood of \$2 billion between now and the end of March, which is only seven working days away.

When asked how he is going to raise the \$16 billion which he is seeking authority to borrow after March 31, including the roll-over, the Minister and his Department of Finance