

*Borrowing Authority*

next year or so, I think it would have a good effect upon the economy but might not do very much for the labour market or create jobs. The idea of giving people meaningful work to allow them to be part of the Canadian economy is tremendously important.

What will we do about this in the long term? If it becomes impossible to create a lot more meaningful work, perhaps we should take a look at the total labour force, the amount of available work, and do some adjusting. Over the last hundred years, the adjustment has been done by shorter hours. It seems to me that this stopped at a certain point. Perhaps a 40-hour week is reasonable; perhaps it should be reduced; perhaps there are other ways of doing it. It does not seem to be a reasonable proposition, in terms of equity to Canadians, that one segment of the population would work eight hours per day for 40 years and another smaller segment would never get plugged in at all. Working and being part of the nation are synonymous; they are very closely related. We must talk about some form of work-sharing over the long term.

This does not necessarily mean that Canadians will take home less. Perhaps some of the productivity gained might be distributed differently from taking home more money. Perhaps it could be in terms of doing less work. This is the kind of thing about which we have to think over a long period of time. There is no question that technology is moving at a very fast rate and that we are getting into a situation where it is becoming more and more difficult, no matter what the growth situation, to create necessary jobs.

In conclusion, certainly the studies I have seen indicate that we are talking about a short-term, non-structural deficit. It is very, very large; it is 8 per cent or 9 per cent of our Gross National Product but certainly nothing like the 25 per cent of the GNP which was used during the war. It can be expanded to create jobs in a meaningful way over a short period of time. Over the long period of time, we must look at different approaches toward ensuring that Canadians in Thunder Bay and in all cities throughout the country are part of the entire national wealth-making process. They should share in part of it and become part of the work force. There is some equity in that area.

**Mr. Deputy Speaker:** Are there any questions for the Hon. Member?

**Mr. Jarvis:** Mr. Speaker, I have a question for the Hon. Member. In his introductory remarks—and I believe it was in the first sentence—he mentioned that this was his fifteenth or sixteenth borrowing Bill. I have shared those 15, 16 or whatever the number is with him.

**Mr. Cosgrove:** And your constituents too.

**Mr. Jarvis:** I do not need any help from the Minister of State for Finance (Mr. Cosgrove)—

**Mr. Cosgrove:** I think you do.

**Mr. Jarvis:**—nor does the country. During that period one thing which we shared in common was that those borrowing Bills either followed a financial statement or followed within a reasonable time a budget. I think the Hon. Member will agree.

Also he will be familiar with the statement of the previous Minister of Finance. He was a Minister with whom I had occasion to disagree on almost every item, but I think he enunciated what the Hon. Member and I experienced during those 15 or 16 borrowing Bills. In committee he said:

I would not expect the House to act upon an additional request for borrowing authority without providing it with detailed information on the economic situation and the implications of that situation on the Government's fiscal situation.

Then he went on to elaborate. He enunciated what I thought was completely familiar, if not a convention or principle. Is the Hon. Member comfortable with what I consider to be a very dramatic departure from what he and I experienced during those 15 or 16 Bills?

**Mr. McRae:** Mr. Speaker, I must say that I find this period of our economic history to be one of great discomfort. I am not comfortable at all about the situation, and I am sure the Government is not comfortable as well. We are in a period which is sort of without precedent. We are not quite in a recession and we are not out of a recession; we do not know whether it is a depression or what it is. Most of the normal Keynesian and other approaches to monetary policy are working as they should.

I am not sure but it seems to me there were several times when we asked for certain amounts of borrowing which did not immediately follow budgets. I sympathize with the Hon. Member's problem, but one must put oneself in the shoes of the Minister of Finance (Mr. Lalonde) at this particular point. He is not sure—and I think correctly so—just what is the situation at the moment. One would assume from the United States figures and from some of the figures for the last quarter which we received this week that things are on the mend and that we may not have to do that much stimulating.

On the other hand, we have had indications of this kind before. The United States went into the recession about two quarters before Canada. The U.S. seems to be out of it. However, Wall Street and analysts in the U.S. do not seem to be quite sure about that. Canada is about six months behind the U.S. in coming out of the recession. This is a natural phenomenon given the relationship between our two economies.

• (1440)

I believe the Minister is showing some wisdom by not bringing in a budget when we are not quite sure what the direction is. I defy Hon. Members opposite to tell me whether Canada is coming out of the recession, going back into recession or staying level. It is not a clear situation. The next budget will have to be a major effort. I do not see how the Minister can really do the job he should do in what I call a transition period.