

*Borrowing Authority Act*

cle. What does this have to do with the government's economic and industrial program? Beans all, Mr. Speaker. Why has the debate on the Address in Reply to the Speech from the Throne been interrupted for this borrowing bill?

Why are we being asked to authorize \$17 billion before we have even had a budget from the hon. lugubrious Minister of Finance? He said that he will bring a budget down in November. He wants us to authorize \$10 billion in borrowing for next year without seeing the estimates. Why? What does this have to do with the television appearance of the Prime Minister (Mr. Trudeau) last August? What does this have to do with not having an election? Supposedly we were not having an election so that we could get on with our economic business and the government's fantastic program for economic and industrial development, but we have seen nothing. All we have seen is CALURA. If the government did not have CALURA brought in by the Minister of State for Small Business (Mr. Abbott) every session, there would be no legislation before us. Does anything express more fittingly the state of this government than the fact that it has the gall to bring the CALURA bill before the House again? The Minister of State for Small Business should resign in protest because he has to bring this before the House.

Does anyone care what all this does to interest rates? Hon. members opposite have the most shameful record in our history. Last March 8 the central bank rate was 7.5 per cent. That was the bank rate just seven months ago. That is what the central Bank of Canada charged, and probably the banks charged one half, three quarters or 1 per cent more. Let us call it 1 per cent. So, it was 8.5 per cent. Now we have had five increases, and in seven months it is up to 10¼ per cent. How does this correspond with the Prime Minister's great program of industrial and economic expansion and growth which was brought back by him from Bonn via Morocco? The Prime Minister cannot explain. He throws his hands up and says, "Look, we have to do whatever the United States Central Bank does. If they go to 8¼ per cent or 8½ per cent, we go to 10¼ per cent."

If the Americans increase their interest rates once again, which they may well do—and it is being forecast down there right now—the central bank rate in Canada will go up again, and the interest rate at banks will go up to 12 per cent, 13 per cent or 14 per cent. Where will it end? Where will it stop? How can we have economic expansion in light of these interest rates? What will the small businessman do? Supposedly the Minister of State for Small Business is concerned about them. What will they do to meet these heavy, additional expenses?

Is it not correct that one of the factors which make us uncompetitive compared to the United States is the much higher interest rates in Canada? Who is considering all this? Who cares? What will our merchandise trade balance be? All we have is wild speculation by the Minister of Finance and his ally, the Minister of Industry, Trade and Commerce (Mr. Horner). They do not even take the figures and give you low estimates, so that when the figures come out it will be that much more encouraging for the analysts. No, instead of that

[Mr. Crosbie.]

they exaggerate. When the lower figures come out, then everyone reacts, the Canadian dollar goes down, and all the rest happens.

In June, July and August of last year, our merchandise trade balance was \$542 million. In June, July and August of this year, the year of miraculous expansion which the two ministers spoke about, the amount of our merchandise trade surplus was \$101 million. The total for the first eight months of 1978 was \$2,084 million. If we extend that for 12 months, it would be a \$3.1 billion surplus, if it is extended at the same rate. The most optimistic analysts say that it might be \$3.5 billion. Everyone who buys the Canadian dollar knows that we will have a deficit of \$8 billion or \$9 billion apart from the merchandise trade balance, tourism account, interest, dividends, services, shipping, insurance and the rest. So, there will be another deficit balance in the international current account of approximately \$4 billion or \$5 billion again this year. We do not know how much.

Canada is living beyond its means. That is why our dollar keeps going down. What will we hear the government discuss? I get sick of hearing about all these troubled things. I get sick of hearing myself talk about them. I would like to hear the government get up and tell us what steps will be taken to overcome them, and not the old pat answers which the ministers come up with, not the old rationalizations which they come up with. They should give us something to get our teeth into. For example, the merchandise trade balance in manufactured end products, fully manufactured products, which the former hon. member from our side talks about all the time, and rightly so, was a deficit last year. There was a deficit in fully manufactured products of \$11,096 million. That is a fact. The year before it was \$10,210 million.

What does the Minister of Industry, Trade and Commerce do? He puts out a study indicating that the picture is brighter than assumed. Another 177-page study detailing our trade performance in 1960 was presented. It showed that things were much brighter than we thought. We cannot dispute that the deficit last year in fully manufactured end products was \$11 billion. The figures are there. He wants to show that it was not as bad as it was in 1960, and in 1960 proportionately it was better. Who does that comfort? Who does that help? How does that deal with the problem we have in the form of a deficit now? That is what we are interested in hearing about.

What about the GATT negotiations? We are asked to authorize \$17 billion in borrowing. What about GATT? When will we have a minister of this government, a deputy prime minister, a minister of industry, trade and commerce, or a minister of finance, who will tell us what is happening at GATT? We do not know exactly what is happening at GATT. The only ones who seem to know are the people at the *Globe and Mail*. I should like to refer to an article which appeared in that newspaper approximately two weeks ago. It is entitled, "Canada Seeking More Concessions In Talks On Trade", by James Rusk. In part it reads as follows:

Two of Canada's key trading partners in the developed world must improve their offers if the current round of world trade talks in Geneva is to come up