

Borrowing Authority

year on the right foot. Parliament, in effect, is being asked to grant authority for a year for which there are no current projections. No other authority would grant a line of credit to a bankrupt creditor who refused to provide up to date financial statements, so why should the House?

As of mid-February, the Government had \$4 billion in cash deposits, of which \$2 billion could be drawn before there were problems, and \$500 million in unused borrowing authority. If Bill C-143 is passed, the Government will have \$21.5 billion with which to operate.

Over the past 15 years, Government spending has risen at an unprecedented rate. On a national accounts basis, where data is comparable over time, spending climbed some \$12.4 billion in 1968-69 to an estimated \$90.6 billion this year, an increase of 630 per cent. A significant portion of the increase has occurred since the re-election of the Liberals to the House in February of 1980.

Relative to 1979-80, spending has risen by 59 per cent on a public accounts basis, or 66 per cent on a national accounts basis. Spending in 1982-83 alone increased by 20.5 per cent on a national accounts basis, or by 19.6 per cent on a public accounts basis. So much for the six and five program. Spending on a national accounts basis is now equal to 26 per cent of Canada's Gross National Product. The deficit today is equal to 34 per cent of all expenditures. For every \$4 the Government spends, it must borrow \$1.

There are only two ways to finance the deficit. One is by borrowing more money. In 1982, borrowing by the federal Government accounted for 51 per cent of all new security issues placed in Canada. The other way is by printing money. Over the past 12 years, the Bank of Canada has monetarised a total of \$12 billion of the Government's financial requirements. Borrowing of that magnitude clearly must have an effect on the supply and demand for money, and thus on the interest rates which must be borne by the private sector, and on average Canadians, of whom 1.6 million officially, and many more thousands unofficially, are out of work through the policy of the Government and previous administrations over the past decade.

Government debt and the interest on the debt is becoming a very serious problem. The gross debt, which amounts to the total liabilities of the Government of Canada, includes not only interest but pension fund liabilities and several other items as well. At the end of the 1981-82 fiscal year, the gross debt was \$134 billion. By the end of the current fiscal year the gross debt will be as high as \$160 billion. In comparison the gross debt was \$31 billion when the present Prime Minister (Mr. Trudeau) took office. The cost of interest on the debt in fiscal 1982-1983 is forecast to be \$16.7 billion. That is the equivalent of one revenue dollar in three, or one expenditure dollar in five. It is more than double the cost of interest that prevailed only three years ago in 1979-1980. It is more than ten times the cost of interest in 1968-1969. If the Government only borrowed to pay interest on the debt, its annual financial requirements would soar to \$40 billion by the end of this decade. The

ever-growing interest burden which this year will cost \$16.7 billion is the equivalent of \$700 for every man, woman and child and \$1,700 for each taxpayer in Canada.

● (1420)

Bill C-143 is dangerous because it creates further uncertainty and can only lead to disruptive speculation in the financial markets as to the state of the federal Government's finances. Parliament is being asked to vote borrowing authority without being given information as to the future direction of Government finances. Canada's poor economic performance will continue to have a negative impact on the finances of the Government as the cost of social assistance rises and revenues stagnate or fall. Any recovery that does occur is likely to be a weak recovery, based mainly on external factors.

People to whom I talk are sick and tired of being told by Government that this is a world recession and therefore it is the fault of our major trading partners, such as the United States, Germany, Britain and Japan. The fact is that whatever the world problem, Canada should be one of the most successful countries because of the human and natural resources which we have in this country. However, because of bad management and incompetence, Canada is now listed as being twenty-fourth out of 24 OECD countries in economic performance.

Confidence in this Government not only because of its fiscal conduct but because of the moral conduct of its members, is at an all-time low. How can Canadians have respect for Parliamentarians when Cabinet Ministers are continually mixed up in affairs such as the Gillespie controversy, the so-called judges affair or the Minister who forged the signature of the husband of his mistress for an abortion, a married woman with whom he was having an affair?

I have just received a petition of over 1,000 names objecting to pornography and obscenity on Pay TV. In recent weeks many Canadians have expressed their concern that First Choice Pay TV would be introducing a Playboy channel. We live in an era that does not need any further promotion of sex or the permissive attitude which lowers public morals. How can Canadians have respect for a Government which has lost control of its bureaucracy, or for a Prime Minister who courts Marxist policies? Is this \$14 billion going to be used to support Marxist regimes or will it be used to help farmers, whose bankruptcy rate in January of 1983 was up 32 per cent over the same period in 1982?

I would like to see some of this money that the Government throws away to Marxist countries used in the federal riding of Hastings-Frontenac-Lennox and Addington. It would be a welcome relief to eastern Ontario if the Department of Regional Economic Expansion, which is responsible for federal Government efforts to overcome regional economic disparities, had some of this \$19 billion to implement a program to develop economic and social policies designed to reduce disparity and increase employment opportunities in eastern Ontario.