

*Borrowing Authority Act*

● (1750)

The Hon. Member for Hamilton Mountain (Mr. Deans) raised an interesting question about whether this borrowing was the cause of the economic malaise we are suffering or the result of it. While acknowledging that some of it was a cause, he came to the conclusion that largely it was the result of economic mismanagement. In a way he is right, although he missed the crucial question that should be asked when one is assessing the significance of a borrowing.

Some Members mentioned this afternoon—as I have in a previous speech—that there are really two kinds of borrowing. For instance, I can borrow money to finance a trip to Florida or around the world. That would not bring much economic return to me or to the country. On the other hand, I could borrow money in order to establish a farm or a commercial enterprise. In return that would bring economic dividends to the country.

The Hon. Member for Richmond-South Delta (Mr. Siddon) put on record that we spend \$40 billion on social programs, \$20 billion to service the debt and only \$10 billion on economic development. That shows the problem we have with borrowing. It is not done to advance the economy but to finance social programs. These programs are good in themselves and I can support them. I have no problem with them conceptually or philosophically speaking; the problem is that they are like my trip to Florida—if I have to borrow money for that and keep on doing it for other things, I will run into trouble.

The drop in the dollar and the high interest rates are a reflection of the economic community's assessment of the wisdom of this country and its reasons for borrowing money. There are some good reasons for borrowing money, however. When I came to this House just under 10 years ago, the Minister for Science and Technology at that time, Mr. Drury, had the gall—although perhaps he did not know any better—to say that we did not have to invest money in research and development for science and technology because we could buy it from the United States or Europe. That kind of thinking got us into the difficulties we are experiencing now. We have not recognized the importance of spending adequate funds on science and technology research and development. If we were to borrow money for those purposes we would reap significant returns in the years ahead.

Some of us have had the pleasure of listening to Dr. Larkin Kerwin, the Chairman of the National Research Council, who has pointed out very frankly that a number of years ago we made the choice to spend money on our own enjoyment. We did not take the route taken by the Germans and the Japanese. They borrow money for the advancement of science and technology in their country and they reap the dividends while we sit here with a fair degree of economic distress. We should deplore the Government's asking for this kind of borrowing again when it has not been able to demonstrate that it will put the money to effective use.

There are some interesting concepts in taxation that we should consider seriously, Mr. Speaker. We should get away from the concept of taxing effective and efficient businesses.

We tax their profits and discourage them. We should look for a new tax philosophy where people would be taxed more on net cost. This would make them more efficient and less wasteful. We would then have an economy where people would be encouraged to invest in this country rather than being discouraged as they are at the present time.

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**POINT OF ORDER**

MR. NIELSEN—SUGGESTED IRREGULARITY IN SUPPLEMENTARY ESTIMATES (C)—RULING OF MR. SPEAKER

**Mr. Speaker:** The Chair would like to rule on the point of order raised by the Hon. Member for Yukon (Mr. Nielsen) earlier today concerning the procedural acceptability of vote 1c under National Revenue in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984.

The Hon. Member argued that Vote 1c, which would increase the program expenditures for Customs and Excise by an amount of \$434,000, seeks to appropriate money for purposes, in part, not authorized by Parliament, namely an amount of \$225,000 for the offshore extension of Customs and Excise jurisdiction. The Hon. Member submitted that the Vote anticipates a decision by the House with respect to Bill C-16, an Act to apply the customs and excise jurisdiction of Canada to the continental shelf of Canada and to amend certain Acts in relation thereto or in consequence thereof, which is still on the Order Paper for second reading.

The Chair has now had the opportunity to examine Vote 1c in relation to Bill C-16 and agrees with the Hon. Member that it would authorize a new program without the appropriate legislative authority. The rulings of the Chair since 1974 clearly emphasize that it is not procedurally correct to use an Appropriation Act to establish a new program.

May I quote Speaker Sauvé to that effect, who said on June 12, 1981 and on March 21, 1983, that “the Appropriation Act should only seek authority to spend the money for a program that has been previously authorized by a statute”.

Since the required expenditure for offshore extension of customs and excise jurisdiction has not yet received legislative authorization, I must find that portion of Vote 1c out of order. Accordingly, Vote 1c—Customs and Excise—Program expenditures under National Revenue, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, shall be reduced by an amount equal to that required for the offshore extension, namely \$225,000, and I so order.

The Hon. Member for Durham-Northumberland (Mr. Lawrence).

[*Translation*]

**Mr. Pinard:** Mr. Speaker, was I recognized by the Chair or was the Hon. Member recognized before me?

**Mr. Speaker:** I recognized the Hon. Member for Durham-Northumberland (Mr. Lawrence).