

Borrowing Authority Act

Parliament and ask for more money. It is a subtle reminder that it is overspending.

The Hon. Member for Restigouche talked about avoiding unnecessary interruption. It is another way of saying that the Government is asking for permission to borrow more than it needs, as it does not want to come back to Parliament to ask for permission at very awkward moments. Those awkward moments happen to be such things as leadership conventions and election campaigns. Between now and March 31, 1985, the Government will have permission to borrow enough money so that it will not have to put up with the nuisance of coming back to Parliament. I do not think that we as Members can afford to see this institution as being a nuisance or an unnecessary interruption for the Government. This is the arena in which the Government must display what little sense of responsibility it has left.

● (1550)

As I said before, if in fact there were no such things as Liberal slush funds or bailouts and the Government still needed all of this money, then there would be another very serious question to ask, and that is, whether we are living within our means. Are we paring down the Budget in such a way that we can operate using our cash flow? When this particular borrowing Bill will amount to 4.5 per cent of our GNP or cash flow, we must ask ourselves whether the Government is prepared to live within the means at its disposal.

I noticed that under this particular borrowing Bill, interest payments alone will cost every taxpayer \$1,500 a year. That is needed just to meet the interest payments. That, Mr. Speaker, is like going to Household Finance to pay for your grocery bill. They want a little more every time, and we cannot afford to pay those kinds of interest rates. We are mortgaging the future of our children and our grandchildren.

After the Hon. Member for Lotbinière (Mr. Dubois) spoke yesterday, I asked him if he thought it was right to make sure that our children and grandchildren will inherit a debt over which they have no say at all. They cannot vote on whether or not they want to pay the debt we are leaving to them as an inheritance. His answer to me indicated pretty clearly the mentality of the Government. He said that the cash flow of the Government will keep on increasing, and with the increase in the Gross National Product we will be able to pay this accumulated debt. Is there anything on the record which would substantiate what was said by the Hon. Member for Lotbinière? As recorded on page 2041 of *Hansard*, he concluded his answer to my question by saying:

I have therefore no worries as far as the future generations are concerned, Mr. Speaker.

I simply want to ask all Hon. Members if they agree with that kind of statement. Does it not bother them at all that when they support this kind of drunken borrowing mentality, they are saying in effect that their children and grandchildren will inherit a debt that may be beyond their ability to pay? Does it not bother them at all?

I was visiting a shirt-tail relative of mine in the City of Portland a few weeks ago, Mr. Speaker. That relative is a businessman. With a very quizzical look on his face, he said to me: "Do we ever have borrowing problems down here in the United States! Do you people up in Canada have problems like that?" I looked at him and said: "I wish we had your problems". In the United States, they are talking about a debt of \$200 billion in a country with a population of about 240 million people. I wish we had those kinds of problems. I told him that our per capita debt this year alone will be 40 per cent higher than his. He shook his head, in disbelief. These are the problems with which we are wrestling, Mr. Speaker.

Do we give the Government a blank cheque to borrow more money than it needs in order to operate this year? Without taking into account rising interest rates, the Government has projected our debt as being \$31 billion. With interest rates now rising, we can assume that that debt will be even higher, because the Government will have to pay a higher rate of interest.

Therefore, Mr. Speaker, we can in no way endorse this kind of irresponsible borrowing. We cannot endorse the kind of mentality of government members who ask for as much as they want for the next year so that they may avoid unnecessary interruptions and spend as they like.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, on most occasions it is a pleasure to rise in the House, but it is not a pleasure when discussing a borrowing Bill of the size of the one that is before us at this time. One might recall that in 1969, the Prime Minister (Mr. Trudeau) said that we will be on the road to financial disaster if nothing is done to bring spending under control. In that year, we spent \$13.8 billion. Now we are spending \$100 billion a year and we can see the problems that that has created.

It is interesting to look over the records and see just who was in charge of our public accounts and spending programs in the past. I have a list here which goes back to 1967 when Mr. Benson was the Minister of Finance. Something that should stand him in good stead, I suppose, as he continues in government service for what seems to be a very long time is that he was the last Finance Minister for the Liberal Government who in 1969-70 showed a surplus. He actually showed a surplus of \$493 million in 1969. That was the last surplus the Government ever had, and that was 15 years ago or more. The original idea behind accounting in a businesslike way was that one would lose some money one year and save it up the next.

In 1970, Mr. Benson lost \$372 million, and the following year the deficit reached \$702 million. In those days that seemed to be pretty horrible. The deficit rose to just under a billion dollars in what would appear to be Mr. Benson's final year as Minister of Finance.

Next, the Hon. John Turner came on to the scene in 1972 and began to lead the way. He produced a 1972-73 Budget which lost \$999 million. He produced a Budget in 1974 which lost \$1,733 million on the year's operations, and then he produced another Budget in 1975 which nearly quadrupled