

Borrowing Authority

Mr. Murray W. Dorin (Edmonton Northwest): Madam Speaker, I appreciate having the opportunity to speak on this important Bill today.

Bill C-11, as has been noted by other Hon. Members, provides the Government with the authority to borrow \$25.5 billion to meet its requirements for the next fiscal year. That is an absolutely frightening number. Most Canadians and probably people in the Chamber can hardly comprehend that in any significant way because it is a number which is beyond anything that most of us would deal with on a day to day basis.

However, we have to consider when we are looking at the borrowing requirements of the Government in what kind of situation the finances of the country are and the budget squeeze that has brought this requirement about, to realize just why we require these funds.

What are the alternatives? Very few or none have been provided by the opposition Parties, even though they have criticized this measure. People must understand what we are doing to work ourselves out of this problem, so that within the next three to four years we can come here following a federal Budget and not be required to present a Bill like this one and continue borrowing.

On this side of the House we are not prepared to dismiss the fiscal position of the Government and to ignore the problem as if it did not exist. If we take a look at government expenditures, and I would like to consider two or three of the larger expenditure areas of government, we can clearly see why it is that we are driven to this additional borrowing as well as putting in place the tax measures that we have.

Senior citizens' pensions represent the largest single expenditure of the Government, in the neighbourhood of \$15 billion a year.

Those pensions are indexed so that every year the amount we spend on them will increase by the amount of inflation, running currently at about 4 per cent, so we have an approximate 4 per cent increase simply as a result of that.

Second, the population is growing older. There are more and more people turning 65 and entitled to those pensions.

The result of inflation and people turning 65 will require the Government to find an additional \$1.5 billion

this year, just to maintain the existing program, not to improve it, enhance it or increase it.

Let us take a look at a similar situation, the transfer payments to provincial Governments. This is money the provinces use for such things as health care and education. Those amounts are indexed or driven by a formula that provides the provincial Governments an amount each year increased by more than the rate of inflation.

A third element is the interest that the federal Government will pay on the debt. I will speak more on this later. That interest will increase this year by an estimated \$6.5 billion. Just to stay where we are and maintain the fiscal position of Government, we need to find an additional \$9 billion because of the changes to those items. This means no change in government policy, no growth, nor any increases. This is just to stay where we are to continue with seniors pensions, support for health care and education that most Canadians believe are fundamental requirements of any Government.

Where do we find that \$9 billion and any additional amounts that might be required for any other demands placed upon the Government? We have three alternatives. We can cut or reduce other programs, we can increase taxes, and we can borrow additional money to finance the expenditures of government.

The current Budget has all three. I am not going to stand here and pretend to suggest that these are popular measures. I am not even going to suggest that I am particularly happy about any of them. I am somewhat embarrassed to say that we will borrow \$25 billion to continue the operation of government. I find it incredible that the opposition Parties would not recognize this situation and offer anything more constructive than we have heard from them today.

We on the government side are prepared to take the necessary steps, even though some may be unpopular. I have heard there is a sign over the door in the Department of Finance. On the way in it says "Watch Your Step". On the way out it says, "Watch Your Language". Some of us may need to put a similar sign above our doors, because I expect that we are going to face a fair degree of criticism over the next few months as we explain to Canadians why these measures are necessary.