

Borrowing Authority Act

transfer payments to the Provinces by the Canadian Government will come up to over two-thirds of what the Government of Canada will borrow during the year. Do the Members opposite consider that transferring money to Conservative or NDP Governments in the Provinces amounts to squandering? They could have a point, but we have signed agreements to do so. If we had been brighter, perhaps we would have arranged to provide such payments to Liberal Governments only. However, as this Government respects the choices made by Canadians and the fact that they have put other parties in office in various Provinces, transfer payments are still made as provided under the Federal-Provincial agreements. If Opposition Members do not agree with this, let them say so and let them convince the people in their Provinces that they must not put in office governments which do not know how to spend these funds since these parties seem to disapprove of these transfer payments.

Just to show how inconsistent they are, Mr. Speaker, the Hon. Members keep asking the same question: Why? What is wonderful in Canada is that the answer to this question is this: because Canadians, and especially those who represent them in the House of Commons, all these Members who have been sent to this House all through the years and the Ministers of this Government, realize that the first duty of a Government is to answer the needs of the people instead of taking a holier-than-thou attitude and trying to establish, somewhat like what is happening now in Quebec, a super-government with super-powers. Its first duty is to serve the needs of the people who have worked hard through the years to build a wonderful country with one of the most peaceful, wealthy and loving populations in the world.

[English]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to be able to say a few words on this borrowing Bill. The Government has put this Bill forward in an attempt to borrow almost \$30 billion for the operation of the Government for the next few years. When considering this Bill and its amendments, possibly we should be looking at the option of cutting back the amount of government spending that has been taking place. The record of the present Government would not make anyone proud. We must recognize of course that it did not begin the deficit. That honour belongs to the administration of my predecessor from Prince Albert, Mr. Diefenbaker, who began the huge deficit budgets and started the snowball down the hill. It has been growing ever since.

● (1550)

Let us look at the record of the present Government. The Gross National Product in Canada is approximately \$430 billion. The deficit for 1983-84 was \$31.45 billion. The current accumulated deficit, most of which can be attributed to the present Government, is approximately \$120 billion. This year, it projects a deficit of \$29 billion. It is asking us for borrowing authority for \$30 billion, which is more than its projected deficit. The Government has been telling us every day in the

standing committees that it will probably save something from the Estimates which it has put forward.

The Government is paying interest rates of approximately 11 per cent on most of this accumulated deficit. That is the average of all the unmatured, marketable bonds and Treasury bills that are outstanding. It amounts to approximately \$17 billion a year in interest, not including Crown corporation debts. This means that more than 25 cents of every dollar that Canadian citizens pay in taxes go to pay for the deficit the Government has accumulated over the years. It is asking us to authorize an increase in that deficit, and at the rate we are going it will double in the next ten years.

The total liabilities of the Government are approximately \$223 billion, including Crown corporations. One could add all of the committed funds which the Government has generously offered and which could be called bailouts. Although Chrysler was able to pull out of its difficulties, there are corporations like Massey-Ferguson, Dome Petroleum and Maislin that have been aided by what have been called bailouts. These may cost the Government at some time in the future—

Mr. Peterson: Mr. Speaker, I rise on a point of order. People on this side of the House share the Hon. Member's concern about the deficit and the cost of servicing the debt. I would like the Hon. Member to check to see if his research notes do not come from either James Laxer or Tory research notes.

Mr. Deputy Speaker: That is hardly a point of order; that is a debating point. I invite the Hon. Member to make a contribution to the debate whenever he wishes, but that was definitely not a point of order.

Mr. Keeper: Mr. Speaker, I rise on a point of order. Since that was a false point of order, I wonder if the time could be added to my colleague's allotted time.

Mr. Deputy Speaker: The Chair will of course exercise its usual discretion in that matter.

Mr. Hovdebo: Mr. Speaker, we are talking about the needs of the Government and its request. Our amendment suggests that it cut \$10 billion from its request. If it did so, we would support it in its requirements even though we think it should not have accumulated such a deficit over the years.

We can see that the Government has not been a very good manager, but we should also consider the Official Opposition. We cannot judge recent Conservative Governments except to examine the Diefenbaker Government which began this deficit spending. However, there are other examples, such as the three year-old Conservative Government in Saskatchewan which took over a surplus of \$140 million. In three years, deficit budgeting has managed to put that province into a deficit position of \$850 million. That amounts to approximately \$11,000 an hour or \$275,000 a day that the people of Saskatchewan are paying in interest for the privilege of having a Progressive Conservative Government in Saskatchewan. In its first few months of office, that Conservative Government