

Borrowing Authority

honest and equally shared. That is what the Liberal Party will provide.

Some Hon. Members: Hear, hear!

Mr. Nelson A. Riis (Kamloops): Madam Speaker, I appreciate the remarks of my colleague who has just spoken. I must say that when I was here first today to listen to the opening remarks on the third reading stage of Bill C-11, an Act to provide borrowing authority for billions of dollars not exceeding \$24.8 billion, I assumed that the Minister of Finance (Mr. Wilson) would be here to begin the debate. Obviously he was not here. I understand why he is not. I do not think that he has any credibility left. We hear and read in every financial newspaper of the country that he should resign, consider resigning or that the Prime Minister (Mr. Mulroney) should ask for his resignation. It is not surprising that the Minister of Finance would choose not to introduce a borrowing authority calling for Parliament to support the borrowing of \$24 billion.

However, one would then assume that a senior Minister, or any Minister, would introduce and explain what the Government plans to do with this \$24 billion, how it plans to use it in an appropriate way or why it is necessary to borrow so much. However, there was not a single Minister here. I ask why would there not be a Minister introducing this legislation on behalf of the Government.

I now realize why. When you look at the *Budget Papers* it states the following. It states that unemployment is expected to rise in the months and years ahead. That seems to fly in the face of the arguments we heard during the last election campaign when the Government said it would be taking steps to reduce unemployment. However, the Budget indicates that unemployment levels in terms of the percentage of Canadians unemployed will actually rise in the months ahead.

It goes on to state that economic growth will slow. In other words, the economic expansion that the Conservatives promised Canadians is not going to take place. By

their own admission economic growth will be curtailed in the months ahead.

It also goes on to state that inflation will increase. We know that if inflation is going to increase—and, indeed, the Budget predicts that it will, interest rates will remain high. We know that with the current government policy of interest rates, if inflation is going to creep up, as the Budget says it will, then interest rates will increase as well.

We have to ask ourselves as Canadians why it is that we tolerate interest rates being 2.5 percentage points higher than they are in the United States when we look at the prime rates comparing one country to the other. Perhaps more telling is the rate on treasury bills with respect to which there is a 4 per cent differentiation between Canadian rates on treasury bills and American rates. Why is it that our rates are so significantly higher in Canada? Can you imagine, Madam Speaker, what that would do in terms of reducing the deficit if we simply had interest rates that were more in line with those in the United States? But the Budget says these rates will go up.

• (1220)

All of a sudden I begin to understand why no Minister is prepared to stand up and explain that economic growth will slow down, inflation will increase and that interest rates and unemployment are expected to rise. Why would any Minister want to do that after all of the promises made in the last election campaign?

I want to share with you two or three experiences that I have just had in the last number of days in my constituency. I visited a cattle ranch which was founded at the turn of the century. It has been in the same family now for three generations. I drove up to the ranch gate and the family was in the yard. I walked up and noticed a sense of despondency. It was very clear. Here was a family with two children, the wife worked part-time off the ranch as did the husband. This was a large cattle operation. The family complained that as a result of the high interest rates which they had to pay on a variety of loans, they were no longer able to continue operating. That day they were expecting the salesman to come to the ranch and put up a for sale sign on it. They thought I was the salesman.