

Borrowing Authority

Mr. Milliken: It should be.

Mr. Blenkarn: The dollar amount borrowed in 1983-84 was \$24,700,000,000. In 1984-85 it was \$31,850,000,000. In 1985-86 it was \$30,200,000,000.

The fact is that we have reduced the requirement in absolute dollar terms. We have reduced the requirement as a percentage of Gross Domestic Product to less than half of what it was. However, that is no answer. The debt gets bigger and the amount of money required to carry it gets bigger. If we add \$25 billion to the gross this year at 10 per cent interest it will amount to \$2.5 billion. At 12 per cent interest it comes out to \$3 billion in additional interest. This means that right now our debt is reaching what amounts to a critical mass. The country has to grow and taxes have to grow by just \$3 billion more in order to cover the additional interest on the additional debt. That is a real problem for any government.

We are in the position of having to come to grips with that problem. In the Budget we hope to be able to reduce the demand to 0.3 per cent of the Gross Domestic Product in the 1993 borrowing authority Bill. We hope in 1994 not to have a borrowing authority Bill. We hope then to pay back some of what we have borrowed.

Mr. Riis: Hope, hope, hope!

Mr. Blenkarn: My friend says that if one hopes enough it will go away.

Mr. Riis: Do something.

Mr. Blenkarn: We have been doing something. However, we have not had the co-operation that we should have had, particularly from a Party that claims that it is trying to build a country. It is not easy to solve the various problems and demands in this widespread country.

I have a colleague who is really upset by the fact that military cut-backs may wind up closing his base in Portage. I have colleagues who are upset because perhaps the train will not go through their constituencies any longer and that perhaps VIA Rail will have to close. I have colleagues who are concerned that perhaps we have to sell more corporations. I hope we do. What we have to do is get rid of the debt. We have to get the country to the point at which we pay our bills as they come due with the taxes we take in. We cannot go any longer and forever and ever extend the obligation on to our kids, our grandchildren and our great grandchildren. That seems to be the attitude of my friends opposite.

Every time we try to cut back an expense or do something to conserve, they complain. Every time we increase taxes, they howl. When we present a borrowing authority Bill, which I think is a terrible Bill, they say they do not like it either. Somewhere along the line we have to take our medicine. We can either print more money, tax more money, spend less, or borrow. They do not want us to tax more, and they do not want us to cut our spending even to the extent that we have.

• (1520)

Perhaps we should go and print it. I do not know. If we print it, we will wind up without an economy at all and all our savings and our futures will be gone. Or, we can borrow it, gradually reduce our borrowing needs and bit by bit get our country back in shape. There is no easy answer to it.

We could follow the example of New Zealand. It had the same problem in 1983 when its Labour Government took over. It had a deficit of 8 per cent of its Gross Domestic Product.

In four years New Zealand pushed its Government into surplus. It had unemployment of 1 per cent when it took over. Now it has unemployment rates of 12 per cent and 13 per cent.

When David Lange, the Prime Minister of New Zealand, was here last week and was questioned about it, he said: "We decided that we would pay our bills and that our population would have to pay the penalty. We knew when we did what we did with our cut-backs and our hard action that they would. We are not at all surprised about the level of unemployment. Frankly it will be there for some short period of time".

I do not know what is his idea of short, but the fact is that that is another answer. We have decided not to take that route. We have decided to continue on with a whole host of programs to assist agriculture, to assist regional development, to assist the creation of new industries and businesses in remote parts of the country.

If we take a look at the Estimates, we will find that in almost every case the amount of dollars spent next year is more than the dollars spent last year. The fact is we are spending that money. Perhaps we should not be spending it, but we are spending that money because we do not want to create the kind of situation that Mr. Lange created knowingly, with malice aforethought, the way the Labour Party operated in New Zealand.