

*Borrowing Authority Act*

on the economy of the slow-down, the recession which is likely to be, unfortunately, already under way.

Then the final paragraph from Amazing Gray when he said:  
But there is another serious flaw in the way the Conservatives—

**Mr. Paproski:** Here comes the minister.

**Some hon. Members:** Hear, hear!

**An hon. Member:** Resign.

**Mr. Rae:** The minister went on to say:

—are proceeding with this first financial measure they have called for debate in this new Parliament. They are seeking this \$7 billion in borrowing authority in Bill C-10 without first presenting their own budget to Parliament. We do not have from the Conservatives a statement to this House, in the form of a budget, on what they expect the revenues and expenditures of this new government to be, and what will be the resulting deficit and cash requirements to be financed by borrowing for the balance of this fiscal year.

That was October 23, 1979, Mr. Speaker.

**An hon. Member:** How soon we forget.

**Mr. Rae:** How soon we forget the basic principle. The basic principle that the Minister of Industry, Trade and Commerce was putting forward in 1979 was that the Conservative government at that time should not be asking for billions of dollars without first presenting a budget. If that principle applied six months ago why does it not apply today?

**Mr. Beatty:** Because the Grits are the government.

**Mr. Rae:** The hon. member says it is because the Liberals are the government. Let me say to that hon. member that his government was exactly the same in 1979, and when they were in opposition in 1978. On this particular question it simply will not do for us to go back and forth every six months with the parties in opposition saying what they would do if they were in government, then becoming the government and doing the reverse. The people making the decisions on our financial affairs are exactly the same, apart from those people who are frothing about on the surface of our political life, the members of cabinet. The critical question is, who is in charge?

The basic principle we are putting forward is that there should be, at least three or four times a year, a presentation by a minister of the Crown to this House. It should be in the form of a statement on motions, about which he could be asked questions, and which would be referred to a committee, or in the form of a budget about which members could ask questions and cross-examine, or a statement as to where the money is to come from, what the taxation plans of the government are, where it will go and how they intend to spend it.

It is fantastic that we continue to conduct our affairs in this manner. It is fantastic that the only statement we have had from the Minister of Finance (Mr. MacEachen) regarding his views of the economy and what he might or might not do, what is possible, what may be the case or may not be the case, are the tealeaves that he left on the floor of the House of Commons on April 21 which we have been trying to read since, and the droppings he leaves after any question period

which we have to examine to try to determine what the position of the government is.

We had the famous trial balloon on the question of the deficit from the Minister of Finance. He gave an interview—one of the exclusive interviews which he gives to the odd, favoured, members of the press, not to members of Parliament—to *Le Devoir*. He said it was probable—not possible, but probable—that the government would de-index the deductions and exemptions on income tax, and thus hoped to raise over \$1.5 billion.

Then the deputy minister of finance spoke to the newly established Senate committee on the national finance, where all the important people seem to go these days. Dr. Stewart, the deputy minister, and Governor Bouey were there recently, giving their views on the economic situation. Dr. Stewart raised the same possibility that de-indexing in a general way might take place.

Today in this House we put another question about the tax system and the Minister of Finance gave us an answer to the effect that it was pure speculation, whether the government planned to de-index. It is not pure speculation, Mr. Speaker. This is coming from one quarter and one quarter only—the Department of Finance and the Minister of Finance. This is an odd way to conduct affairs.

In the latest edition of *The Economist*, the British magazine of economic affairs, there is an article in the World Business section about our Minister of Finance. I am surprised he stopped long enough for them to focus the camera, but there is a picture of him. Underneath the picture is the line, “MacEachen’s ballooning”. Among other things the article points out that the economic cost to this country of having no budget from last December until next year is:

—that fiscal measures are still in limbo while monetary policy, set on a moderately restrictive path, carries the anti-inflation load for the time being until a budget can be agreed.

● (2100)

I honestly do not see how the government can expect us to pass, to accept, or to vote in favour of a request for \$12 billion when it has not told us what its taxation policy is, or what are its spending plans. In fact, this government has abused the House, played with the House and sent up trial balloons which are then shot down. This government has indicated that taxes may have to be raised in a general way, but we are not told which taxes have to be raised. The hon. member says this will come in a budget. In that case, the government should not be asking for \$12 billion until such time as it is prepared to present a budget, so that we can pass on the whole financial picture.

The government cannot have it both ways. This government cannot conduct its financial affairs in a complete fog, the fog of dust, led by the Minister of Finance. Every time he makes a statement he totally confuses the public. It totally confuses the business people and destroys business confidence. It destroys the confidence which the average person has in the Government of Canada.