

*Borrowing Authority Act*

well-being of individuals ebbed and flowed with little or no real gain. But with the birth of the industrial capitalist system some 200 years ago, there was an explosion in mankind's well-being. Suddenly, as a result of technology breakthroughs of industry of the accumulation of wealth through corporations which helped productivity, it was found that more and more workers could be employed. In turn this gave rising real wealth for their families and for the nation, and with it disease lessened. Food became more plentiful as production grew.

We find that it takes the same amount in gold today to buy a loaf of bread as it did two centuries ago, yet in the past 200 years the real earnings of workers in the western world have risen sevenfold. Notwithstanding this success, it is strange to find that many today, wittingly or unwittingly, suggest the free enterprise system should be virtually replaced, without realizing that what they are suggesting is a return to the world of 200 years ago.

If one is curious to see what that world was like, I ask any member of this House to go and view the slums of Calcutta, or many of the streets of Cairo, and see first-hand how most of our forefathers lived before they and their descendants were lifted by the free enterprise system to our present prosperity.

The Parliamentary Secretary to the Minister of Finance has asked twice what this has to do with Bill C-7. Mr. Speaker, this is what it has to do with it. Bill C-7 will be an extension of the borrowing authority of this government by another \$7 billion. To the degree the government is now spending a dollar of which it can only finance out of revenue 75 cents of that dollar, 25 per cent ends up in debt or in the creation of artificial money. To the degree this continues, there is absolutely no doubt that the government will continue to generate inflation. To the degree the government generates inflation it is going to separate still further the wealthy from the poor. This government is going to devastate our economy and, in short it will cause this country to evolve into something not a free enterprise system any more, but a state controlled system, which presumably their socialist friends would love. But I can assure hon. members the people of Canada will not enjoy that should it ever occur.

I have just touched on what I think is often overlooked, and that is that we do have a good system traditionally in this country. The enterprise system has produced great prosperity, but it cannot continue to produce that prosperity if we allow government to encroach on it continually, if we load the system with undue taxation, or if we load the system with the type of borrowing that has been taking place at the federal level for the last three or four years. That is why I urge hon. members to consider my motion. I think it would make this bill more meaningful in relation to the Canada Savings Bond question. I would hope also that all members, before voting on Bill C-7, would think of the consequences. I remind hon. members they will be giving this government more funds, because of the lack of restraint shown at the spending level. This has to end. I hope that, whatever debate ensues on Bill C-7, that point will be driven home to the government.

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

[Mr. Stevens.]

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, at the point when I asked the hon. member if he would permit a question, he was complaining about some of the things that had happened during the parliament of 1972 to 1974. He was complaining that we had co-operated with the government of that day in getting certain legislation that, in his view, was the cause of all the troubles we are now experiencing. I ask the hon. member for York-Simcoe (Mr. Stevens) if that means that he would like to undo the social legislation, the increases in pensions and family allowances, and also in veterans benefits, that we achieved during that period of time. Is he telling us that if his party came to power they would turn back the clock on the social legislation we won during the period from 1972 to 1974?

**Mr. Stevens:** Mr. Speaker, my good friend, the hon. member for Winnipeg North Centre (Mr. Knowles), has not been following me. His question is in relation to something about which I made no comment. I was talking about the expansion of our monetary system during that period. Certainly when "Blue Eyes" was here, the minister of finance now known as Mr. Turner, that is when the explosion took place. Government spending went up over 100 per cent during his 44 months as minister of finance. You will recall it was that minister, to the great delight of the liberal NDP members to my left who, at committee, said it is political expediency that dictates, not economic reality. It is that type of thinking that caused the monetary explosion that we are now getting the fallout from in this country. That is what I was referring to; never once did I refer to that legislation. The hon. member for Winnipeg North Centre must have been snoozing or something if he thought I did.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, since my question had to do with social legislation which is closely related to the increase in spending by the Government of Canada, may I ask him if, like others in this House, he is simply refusing to answer my question as to where his party stands on expanded social legislation?

**Mr. Stevens:** I can give the hon. member, my good friend, a very short answer; all he has to do is try us. Another election is coming along and, with his support and the support of other NDPers—and I know we have millions of Liberals who are supporting us now—we will form the government and he will see one of the best run countries he has ever seen.

**Mr. Alan Martin (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I continue to be amazed at how wide our rules are in this House, but perhaps it is of general benefit. But here we are dealing with report stage of Bill C-7, which would authorize the government, when needed, to obtain additional borrowing funds. This bill has been debated at great length on second reading in this House. This is a bill on which the hon. member for York-Simcoe (Mr. Stevens) participated both in this House and in committee at great length. Nothing new has been raised today.