

before you and tell you we can move toward a balanced budget quickly. I think it can be done over a period of five or six years. Federal government expenditure is a question of commitment. It is a question of commitment by the government that federal government expenditures must grow at a lesser rate than their revenues. We cannot burden the economy with more taxes and at the same time increase productivity. I think even my friends opposite recognize that. We cannot burden the Canadian economy and the Canadian taxpayer with further taxes and have any hope of increasing productivity in Canada.

As I said, there are those who say a balanced budget is out of the question, and there is no question it is a difficult political exercise. It can be done if the government has the backbone to impose the necessary restraints, restraints on the civil service and by eliminating ridiculous programs such as the oil stabilization program. It is madness for the Canadian government to borrow money to pay for a \$3 billion oil subsidy to Canadian consumers. Even the Canadian consumers would consider that madness.

They are increasing federal borrowing by \$3 billion in order to subsidize the consumption of gasoline, not only by Canadian consumers but by foreign consumers, foreign air carriers and United States' motorists coming across the border.

**An hon. Member:** Terrible.

**Mr. Thomson:** We can move toward a balanced budget if the government has the backbone to sincerely face up to restraint.

**An hon. Member:** Hear, hear!

**Mr. Thomson:** The royal commission of inquiry on financial accountability, referred to as the Lambert commission, recommended significant changes, including establishing a framework of accountability for government. It has been two years since that report was made and I see precious little evidence that the Liberal government has initiated any efforts whatsoever to comply with the recommendations of the Lambert commission.

**An hon. Member:** It's coming.

**Mr. Thomson:** The Lambert commission in March 1979—and I would just like to remind those opposite—after two years of careful study and consideration reached the deeply-held conviction that the serious malaise pervading the management of government stems fundamentally from a grave weakening and, in some cases, an almost total breakdown in the chain of accountability, first within government and second in the accountability of government to Parliament and the Canadian people.

I guess the only time we in this House of Commons are accountable is when we have an election. How can a Member of Parliament be accountable to his constituency for borrowing \$14 billion? How can a Member of Parliament be accountable to his constituents for massive over-expenditures by government on capital projects? How can we represent to our constit-

### *Borrowing Authority*

uents that we have, in our government, sound management and accountability for expenditures? We cannot. None of us can.

Financing of the federal deficit contributes significantly to the rate of inflation, high interest rates and unemployment. Government spending and fiscal deficits take away from the productive sector of the economy, the sector which creates the jobs. Government cannot create jobs by spending. Actually, government spending takes jobs away from the private sector because it takes that money away, spends it, and does not create investment. The federal deficit, as I said, contributes to inflation. There is no authority in the Bank of Canada or any financial authority that I know of in Canada that would not say today that a substantial part of the inflation we are experiencing in Canada is due to the federal deficit and continuing deficits which this country has experienced since 1974.

Federal deficits have contributed to high interest rates because the government is borrowing \$14 billion. If the government were not borrowing that money, there would be that much more money available for private enterprise, and others in the economy, and they would not be driving interest rates up. For the government to go out on the market and borrow \$14 billion is to simply drive up interest rates.

We will not have decent interest rate levels in Canada until this government learns to face up to fiscal responsibility. Horror stories of mismanagement by the federal government over the past 12 years are endless. I could stand here from now until tomorrow night reciting them, and I am sure many other members could as well.

I would like to refer to a few examples of overspending on major capital projects. For instance, in my home town of Calgary in 1973 it was decided that the Calgary International Airport should be rebuilt. It was estimated the terminal would cost \$57.7 million. In 1977-1978 the final cost when the building was completed was \$127.4 million, a cost overrun of \$69.7 million. In Montreal, a project referred to as MAPP involved the construction of a postal plant. Approval was finally given in 1974 for an expenditure of \$161 million. The final cost came in at \$273 million, a cost overrun of \$112 million, or 70 per cent.

We turn now to the Prince Rupert grain dryer, something very close to the heart of the Minister of Transport (Mr. Pepin), I am sure. Approval was originally given for \$705,000 to construct this project. The final cost was \$3,812,000, a cost overrun of \$3,107,000, or 479 per cent over the budget.

The government told the Canadian people that the Prince Rupert grain dryer and Calgary international airport would cost so much money, and then it gave out a blank cheque, having no regard for and no control over those estimates. The original cost of constructing the Mirabel airport and the acquisition of land was estimated to be \$243,495,000. The final cost was \$360,667,000, for a small overrun of approximately \$170 million, or 48 per cent. That is one of the small percentage cost overruns. It only cost the Canadian people an additional \$170 million.