

Government Orders

The Acting Speaker (Mr. Paproski): On debate, the hon. member for Ottawa West.

Mrs. Marlene Catterall (Ottawa West): Mr. Speaker, I am so glad I came in to hear the member for Ontario speak. It was somewhat confusing initially, but I must say it has inspired me. It was confusing because when I first walked in I thought I was in the Ontario legislature. I was pretty sure I had taken a wrong turn somewhere between Ottawa West and Parliament Hill, because we were talking about the fine performance of the Ontario government in controlling its deficit and its spending. Then I heard the member for Ontario—and maybe he is a little confused because of the name of his riding—complain about the goodies that have not been coming to his riding.

• (1730)

What did he expect to happen when his government reneged on cost shared programs with the province? Did he expect that the province of Ontario was going to let children go hungry because there was not enough money for social benefits? Did he expect that it was going to cut back on day care because the government was refusing to meet its commitments to cost share that program? Or, did he expect that it was going to kick kids out of university because the government was cutting transfer payments for post-secondary education?

I am sorry if the government's own actions are coming back on its own members in their own ridings. They have nobody but themselves to blame.

Then, as I listened a little further, I honestly thought that a miracle had happened and suddenly we, the Liberal opposition, were in government and that the people opposite were in opposition. I heard the member attacking the policies of the Liberal party. I thought how wonderful, here we are controlling the economy and the budget and they have nothing to do but criticize what they anticipate or project to be Liberal policies. It has put me in very fine form to comment on this borrowing bill.

We are borrowing \$25.5 billion. That means we are adding that much to the national debt of \$362 billion. The government likes to pretend that the amount of money we are borrowing and the amount of debt we have have absolutely nothing to do with the annual deficit that

Canadians are paying. Of course it does. What you pay in annual payments depends on how much you already owe.

One thing that has struck me as I have looked at the budget documents is that five years ago the deficit was fairly evenly split between paying for programs and paying interest on debt. Now the deficit is not even enough to cover the cost of our borrowing. All the deficit goes to pay interest on debt, and then a good chunk more comes out of operating budgets to pay the interest on the debt.

It is also important to point out that this \$25.5 billion is not the full extent of the government's borrowing this year; that it is actually \$28.5 billion. One of the ways in which the government reduces the amount it actually goes out to the financial markets to borrow—down to \$25.5 billion—is by borrowing from the federal superannuation fund.

One of the most contentious issues for many years around this place has been the lack of adequate return to the federal superannuation fund and the lack of action by the government on improvements to the fund that are required under our charter which it has refused to implement up until now. These are improvements that it has made already to pension funds of federally regulated bodies.

Why is it withholding this money, these proper and merited pension adjustments from public servants? The answer is quite simple. It is because it wants to hold them off and use them as bargaining chips against deindexing seniors' pensions, as it has done with many other elements in its budget.

The government likes to keep the federal superannuates' fund rich and healthier than it needs to be to meet its obligations and to meet benefits that public service employees have been entitled to ever since the Charter of Rights and Freedoms was passed. It does so because it likes to borrow from it so that it can pretend to Canadians that it is really borrowing less than it actually is.

I want to talk about one other aspect of the borrowing of Canada that I think has not been addressed until now. It is the amount of borrowing from non-residents. In the last five years non-resident borrowing has gone up from just over 10 per cent to nearly 20 per cent. The cost of this borrowing to Canadian taxpayers is pretty horrendous.