

Borrowing Authority

increase for the National Film Board is \$1 million, but the actual appropriation is \$307,000. The stated amount of increase for the National Library is \$1 million, but the actual appropriation is \$159,000. The stated increase for the National Museums is \$19 million, but the actual appropriation is \$16.588 million. There was a stated increase of \$2 million for the National Arts Centre, but there was actually a loss of \$73,000 in the appropriations. The stated amount of increase for the Public Archives is \$1 million, but the actual appropriation is \$624,000. I hope the Minister found a new abacus to work out these figures.

I believe these figures show the reality of what the cultural agencies will receive.

• (1520)

Since you have signalled that my time has almost expired, let me conclude by saying that I have the deepest conviction that Canadians want to enjoy their environment and express themselves as Canadians. We have lots to say to the rest of the world through our own cultural and creative experiences. I would hope that we would find a way to ensure that those cultural industries would not be put in jeopardy by any action of the House, and every measure taken by the Minister of Finance (Mr. Wilson) and the Minister of Communications (Miss MacDonald) to add to the increased protection and growth of these agencies, will be well received by all.

[Translation]

The Acting Speaker (Mrs. Champagne): Questions and comments. Resuming debate. The Hon. Member for Lévis (Mr. Fontaine).

Mr. Gabriel Fontaine (Lévis): Madam Speaker, I appreciate this opportunity to speak to Bill C-40, an Act to provide borrowing authority, under which the Government is seeking an additional \$3.6 billion borrowing authority for the 1986-87 budget and \$24.3 billion for fiscal year 1988-89.

The first comment I want to make is that, thanks to our sound and well-advised administration, we did manage to reduce the Government's annual need to borrow. When the 1984-85 Budget was tabled the deficit stood at \$38.3 billion. I refer you to page 19 of the February Budget of the Minister of Finance (Mr. Wilson). The following year, 1985-86, again as a result of our sound administration, the annual deficit dropped from \$38.3 billion to \$34.4 billion. With the Budget closing at the end of this month we will again post a deficit, but this time down to \$32 billion. Next year, due to the elimination of a number of useless expenditures rather than through huge tax increases, we expect to table a Budget of \$29.3 billion. A comparison indicates that the financial requirements of the Government over the four years ending in 1987-88 have declined sharply. By financial requirements I mean borrowing needs which are not necessarily the same figures and which do not tally with the deficit figures because the Government has access to certain pension funds and collects money which was

owing. This accounts for the gap between the financial requirements and the deficit of the Government.

The financial requirements amounted to \$29.8 billion in 1984-85, and to \$30.3 billion the following year. In 1986-87, the year about to end, the financial requirements were reduced by \$6 billion through sound administration, and we expect they will continue to decline next year, down to \$21.3 billion, the lowest level of Government financial requirements in the past six years.

Canadian taxpayers must be made to understand that the effect of Government decreasing financial requirements is a significant drop in interest levels, to the extent that the Hon. Member for Winnipeg North (Mr. Orlikow) has acknowledged this achievement by the Government which every Canadian man or woman who has to borrow can appreciate. Earlier this afternoon the Hon. Member for Winnipeg North told the House that the Bank of Canada prime rate was down to 7.28 per cent, lowest ever since 1974. I want to thank my colleague from Winnipeg North because, even though he is a socialist, in some cases he can read figures when they are not too complicated.

Madam Speaker, for the benefit of all Canadians, it might be a good idea to explain what we intend to do with the borrowed money. This morning the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) raked us over the coals about the use of these funds. Out of budgetary appropriations totalling \$122 billion, \$57 billion of the expenditures will be in the form of small cut-backs for poorer Canadians. We are going to allocate \$57 billion to social affairs, unemployment insurance, youth, the elderly, and needy Canadians. And another, in fact the greater part of our Budget, thanks to the poor management of the previous Liberal Government, will be allocated, all \$28 billion, to servicing the national debt, a cumulative deficit of about \$300 billion.

Meanwhile, Madam Speaker, the Liberal Party's big guns have been criticizing our fiscal policy and the message we gave Canadians in February, and today they are criticizing our borrowing requirements. One minute they ask us to send cheques to the neediest in this country and the next, they are up in arms about our borrowing authority Bill and the \$24 billion involved.

I was listening to the Official Opposition's finance critic, a colleague from Quebec, the Hon. Member for Laval-des-Rapides (Mr. Garneau). I would like to ask him why his assessment of our Budget is so different from the standards he should be applying, as a former director and president of one of Quebec's major banks. It seems to me that he of all people should be far more perceptive in his reactions to the Budget and Budget speech. He is clearly reacting in a very partisan manner. That seems to be his style since he came back to politics. The Hon. Member was always very good at making a profit for his employers when he was in the private sector, but when he entered politics and became a member of provincial and federal cabinets, he became an expert at making deficits. We saw this when he was with the Quebec Government and we