

Borrowing Authority

on the current fiscal dilemma. Even if we have a moderate recovery, it may not be enough to bring the federal books into balance. Unless measures are taken to control wasteful spending and to create economic growth, it can be expected that the present situation will not readily improve.

I realize that the Government is committed to carry out its obligations in financing our important social programs such as Old Age Security, spouses' allowances, medicare, and many other worth-while programs. These are obligations and duties which must not be reneged upon, but there are many, many other areas of spending which should be seriously looked at and should either be curtailed or eliminated entirely. One only has to go to the Auditor General's annual Report to see for himself areas of unproductive spending, areas of mismanagement and areas of unaccountability and cost over-runs which, when totalled up, amount to millions and billions of taxpayers' dollars wasted and gone down the drain.

I am not here to castigate and chastise individuals or Department officials, Mr. Speaker. I believe most of them are dedicated people who are trying their best to do the best job possible. However, because the money they handle, which it is their responsibility to spend wisely, is not really their own, I do not believe there is the same judicial care exercised in spending the taxpayers' money as when they are spending their own.

I have in my possession, Mr. Speaker, a document which spells out this problem in detail, but because of the brief time at my disposal in this debate it will not be possible for me to read this document into the record because of its length. However, I can draw the attention of the Chair and of Hon. Members to a couple of examples. The first example has to do with over-runs, over spending the budget. Environment Canada experienced cost over-runs on 153 out of a total 223 projects to the amount of \$283 million. This is a glaring example of poor budget planning which would have resulted in wholesale firings if it had happened in private industry. But we all know that public servants rarely get fired. If something goes wrong, the punishment is usually a promotion to get him or her out of the Department. At the other extreme, Mr. Speaker, on July 1, 1982, two days after announcing the need for more restraint, the Government paid \$430,000 to provide 16 cities with fireworks. Really, Mr. Speaker, where is the common sense? Common sense should tell us that we are heading for rocky shoals if this trend in spending continues. But it is a case of this Government's continuing to flounder around, pulling the wrong levers and greasing the wrong skids.

The Government must readjust its priorities to get our economy rolling again. Money must be spent wisely to get our economy back on track. We must regain our strong economic base. Our industry must modernize in order to grow and expand. The Government should be encouraging such undertakings, not penalizing them with disincentives, by drowning inventiveness with myriads of discouraging regulations which private enterprise is forced to contend with. There must be dovetailing, equitableness and partnership between business and Government. That harmony will result in better economic

results. on the other hand, working at loggerheads with each other results only in chaos and bankruptcy.

Over the years, Mr. Speaker, we have heard common arguments used by the Liberals to defend the Government's record on spending, debt and the deficit. One argument is, "Deficit spending is good for economic growth". Common sense should tell them that deficits do not necessarily occur as a consequence of measures to promote economic growth. The truth is that most of the existing deficit is the result of the failure to achieve economic growth. For example, in November, 1981, economic growth was projected by the then Minister of Finance to be 2.2 per cent. The projected deficit was \$10.5 billion. In June, 1982 the Government predicted a negative growth of 2 per cent, and the projected deficit was forecast to be \$19.6 billion. For fiscal year 1982-83 the Government is forecasting a decline of 4.4 per cent, and the expected deficit is \$23.6 billion. It can be readily seen, Mr. Speaker, that as the deficit has grown from year to year, Canadians have become more and more aware of the damage which continuous deficits inflict upon the economy. We must be aware as well, Mr. Speaker, that our excessive borrowing is one of the reasons for the weak dollar and for the recent very high interest rates which have been necessary to support the dollar.

Another fallacy which we hear from the Government is, "There is a deficit because of the positive initiatives the Liberals have taken over the years to assist Canadians." The truth is, Mr. Speaker, the many examples of unnecessary spending by the Liberals have presented an unnecessary drain on the Treasury. That red herring, Mirabel Airport, has cost the taxpayers of Canada some \$700 million. As I mentioned earlier, the Government has consistently failed to exercise adequate cost control on projects and on programs. It was discovered in October, 1979, that cost over-runs on ongoing projects initiated by the Liberals totalled \$1.1 billion. In 1978 the Unemployment Insurance Commission paid \$290 million to people not legally entitled to receive benefits.

Another fallacy projected by this Government is, "There is nothing wrong with having a large national debt. We only owe the money to ourselves, and there are assets to offset the debt." The major problem with the Government's debt is that it must be serviced. One tax dollar in four is used to pay interest on the debt. Interest on the public debt will cost the taxpayers of Canada \$16.7 billion in the fiscal year 1982-83. That is \$700 per capita or \$1,800 per taxpayer. The assets of the Government are dwarfed by its debt. In March, 1982, the Government had \$40 billion in assets compared to a total official gross national debt of \$134 billion.

Another fallacy enunciated by this Government is, "There is nothing wrong with a short-term deficit." The federal Government has not balanced its books since 1970 and will not do so in the next five years. The Liberals have maintained since 1970 that the deficit is only a short-term problem. There is nothing short-term about 17 years. Since this Government took office in February, 1980, Government spending has increased by 66