

Borrowing Authority

House can relate to an individual Canadian who is now collecting Unemployment Insurance and who comes under that program. It is a legitimate program. It costs money. I am not saying that that makes it wrong, but the point I am trying to get across to the Minister and to the Members on that side is, let us look for the waste. There is waste. The Minister would not have to look very far, I am sure, even in his own Department, to begin to find some of that waste. That is what we want to address because that is how we will ultimately reduce the deficit.

• (1130)

The Acting Speaker (Mr. Blaker): Questions, comments? Debate.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, Bill C-151 on the borrowing authority shows that the Government has no shame. It lacks wisdom, it lacks decency, it lacks respect for ordinary people, it lacks compassion for the unemployed, the elderly and especially elderly Canadian women who have spent their lives raising our country's children and face retirement without a decent pension. The Government now shows a lack of ability even to blush.

The approach taken in the borrowing authority Bill is the big lie: It is better to borrow an outrageous amount of money than to reveal economic incompetence bit by bit by borrowing billion by billion. The Government has even admitted that it does not need all of the money immediately. It needs the money for so-called contingencies so it will not have to raise the delicate issue of our economic problems closer to election time and so it will have cash on hand for the projects which Liberal Cabinet Ministers will be announcing. At these announcements, there will be fanfare, there will be the opportunity for political speeches and the opportunity to operate the traditional Liberal pre-electoral pork barrel.

The borrowing authority is the logical accompaniment to the budget. The budget announced a series of projects. These projects are of modest proportion but they will afford splendid opportunities for Cabinet Ministers to make public appearances and to give the appearance that they are doing something for the economy. The appearance is there, yes, but the reality is not.

What is wrong, Mr. Speaker, with borrowing? Of course, it depends on what the money will be used for. We could accept the borrowing if it were part of a long-term economic recovery plan, if the Government would begin to recognize our serious economic and structural problems, if it would begin to solve these problems and if the borrowing would provide money that would go into real, substantial, well thought out job creation programs. We could accept the borrowing if it would mean that people would get back to work and start paying taxes again instead of taking Unemployment Insurance, thereby creating demands for other goods and services and putting more people to work. We could accept the borrowing if it were directed to the recovery of the economy, for that would reduce

the long-term drain on the economy as dividends, interest payments and management fees go out of the country.

If it would save the generation of our children and our grandchildren from having to continue to pay for our economic short-sightedness, we could accept the borrowing. Even if the money would go to increase pensions, for example, or social services, it would be serving the higher purposes of decency and equity. It would not be building a long-term economy, of course, but the economic consequences would at least be partially good because people at the margin would spend their additional income mainly on domestic goods and services. They would be creating employment for unemployed Canadians and unemployment is the major problem that we face at the present time. Unemployment is the problem that we should certainly be addressing.

We could accept the borrowing if it were directed toward research and development, and I do mean serious research and development, not the band-aid measures that were announced in the budget and not in isolation from other institutional changes which are needed. With our branch plant economy, we will never have enough research and development because branch plants are not intended to do research and development and put products on the market which would compete with the home country. But we need to spend more money on research and development if we are to have an efficient and productive economy and if we are to reap economic benefits when we begin to do this.

[Translation]

Unfortunately, the purpose of the Government's spending program is not to provide for research and development projects, social services, economic recovery and job creation, not according to the budget that was brought down recently by the Minister of Finance (Mr. Lalonde).

What is the purpose of this budget? It is to give handouts to private corporations. Small- and medium-sized businesses stand to benefit very little, despite the fact that, as employers, they are very important to our economy. Once again, the Government is demonstrating its lack of consideration, even contempt, for small- and medium-sized businesses. This is a pre-election budget where expenditures have been chosen for their publicity value. The budget gives Liberal Ministers an opportunity to announce projects, to cut ribbons and open institutions, research centres, improved harbour facilities, and so forth. These projects must be paid for through taxes and loans that will have to be reimbursed later on. This makes the budget even less attractive, because the bills will be paid by low- and middle-income Canadians. The same budget announced tax increases for low- and middle-income Canadians, in the form of capped deductions and postponed sales taxes. The budget grants tax rebates to private corporations and so, the Government is demanding more and more from the average Canadian and less and less from corporations. In the 50's, corporations paid half of the tax bill and individual Canadians the other half. Now, individuals pay 80 per cent and corporations only 20 per cent.