

If we are to tackle the deficit, first let us do it fairly. Let us also call upon industry as well as working people, fishermen and farmers to shoulder the burden of the debt. That means responsible behaviour on their part as well.

We have talked about Government debt. We should also talk about corporate debt. Right now, large corporations will acquire \$100 million or \$1 billion in extra debt as a poison pill in order to prevent corporate take-overs. Other large corporations are borrowing billions of dollars to take over corporations. They do it at government expense because it is tax deductible. They make capital scarce. They do not add to production. In fact, they decrease the ability and strength of our corporations.

• (1230)

We now find that the financiers are now the chief executive officers, not the engineers, because our corporations are not concerned with production any longer. We are losing the economic war to the Japanese and Europeans. We are losing jobs.

There is mass irresponsibility on the corporate side and yet they stand here and tell our Government they need more tax breaks, more inducements in order to invest, and special rates. As the Minister of Finance (Mr. Wilson) suggested to his friends in his constituency, we need lower tax rates in order to induce investment. Yet much of that investment is going for corporate take-overs, money that further drains our treasury and further weakens our corporate sector. It leads to the loss of jobs and wealth.

In response to my friend, if we are to seriously go about the business of putting our economic house in order, we need the full co-operation of the business sector as well as labour, farmers, fishermen, all those men and women involved in activities that make our economy function. It has to be a collective responsibility. We need a Government that can show leadership in bringing that about. So far, we have seen a Government that lacks the imagination, the foresight and the leadership. That is why I again propose that the Minister of Finance should resign.

Mr. Pat Sobeski (Cambridge): Madam Speaker, Bill C-11, the Borrowing Authority Act, 1989-90, permits the Government to borrow \$25.55 billion. This will permit the Government to meet its financial requirements and conduct foreign exchange operations.

Borrowing Authority

The projected deficit is \$30.5 billion in the 1989-90 fiscal year compared with \$38.3 billion in the 1984-85 fiscal year. However, this is not equal to the borrowing requirements of the Government.

The Government's financial requirements are a comprehensive measure of its demands on credit markets. These requirements have fallen sharply from the \$29.8 billion in 1984-85 to the projected \$20.5 billion in 1989-90. Relative to the size of the economy, financial requirements have fallen from 6.7 per cent of Gross Domestic Product to a projected 3.2 per cent this year. By 1993-94, the Government's financial requirements will have fallen to \$3 billion or 0.3 per cent of the Gross Domestic Product.

I am a new Member in the House, but I heard references yesterday going back to comments made by C. D. Howe. We have heard Finance Ministers stand up in this House and say it before. One Finance Minister stood up and said: "We intend to continue severe restraint. Our experience this past year and the prospects next year force us all to recognize the central problem of the control of public expenditures in Canada today". Many may think that sounds like the current Finance Minister, but that was Edgar Benson in his Budget Speech of October, 1968, 20 years ago. The Finance Minister at that time said a tight rein was needed because expenditures had surged to \$12.3 billion.

In June of 1969, which was the Budget of the last fiscal year that Ottawa showed a surplus of some \$332 million, the Finance Minister at that time said: "A fiscal policy of restraint, combined with restrictive monetary policy, would be an effective combination to overcome persistent inflationary pressures." That was 1969. We are hearing the same comments today.

On March 12, 1970, when spending climbed by 12 per cent, the Finance Minister told Members of this House: "Members are aware of our sustained effort to restrain the growth of expenditures". In the June 18, 1971 Budget, spending jumped 15 per cent in fiscal year 1971-72. Transfers to the provinces rose 40 per cent and federal funds for education climbed 41 per cent.

Then we come to the Budget of May 8, 1972, the then Finance Minister Turner's first Budget. It was full of goodies for the election expected that fall. One was inflation indexing, which was to contribute in large measure to future deficits. The Finance Minister at that time said: "The bare fact of the matter is that we cannot do everything at once. We simply do not have the resources". In that Budget, spending went up 15 per cent and the deficit rose to \$1.8 billion.