

● (1732)

Yes, that is true. I have stressed government borrowing to finance the payment of interest on interest on maturing obligations in the form of bonds.

The article in the *Citizen* continues:

In the process it imposes totally contradictory policies on Canadians and tries to explain those policies with unmitigated gibberish, pompous bluster and downright falsehoods.

A majority of Canadians may favor wage and price controls, but that preference should be seen as a willingness to bite the bullet, to make the sacrifices required to preserve this country's economic future.

The last few paragraphs in the *Citizen* editorial read as follows:

What it failed to do in the first ten years of its existence, the Trudeau administration now hopes to bring together in six months.

Is that the date of the election, six months from now?

Borrowing and deficit financing further debase and undermine our currency, and therefore our dollar falls in relation to the currencies of more responsible governments, the cost of imports goes up, and inflation soars.

In the last three years the government has been remarkably inactive in planning to reduce Canada's demand for imports. It has been equally delinquent in planning for increasing Canada's exports.

To return to the subject of the national debt, a subject which this government shies away from, but nevertheless it will have to face up to, we find that this is the third time in fiscal 1978-79 that the government has come to parliament to request an increase in its borrowing limit. Over the past two years these increases in borrowing authority have amounted to \$28 billion, a 66 per cent interest in the national debt accumulation. I should add that "coming to parliament" is a hollow phrase. Those Liberal members vote as a pack, probably without even reading the bills, and so it is a foregone conclusion that Bill C-7 will pass.

Bill C-7 also authorizes the government to borrow in currency other than Canadian currency, and to repay loans in the currency in which it was borrowed. The plain fact is that the loans must be paid back in Canadian currency converted to the foreign currency borrowed, and the discount on the Canadian dollar must be paid. In the case of U.S. funds the exchange rate of 15 per cent to 17 per cent must be added to the average of 10 per cent interest, and to that must be added the two or three points that foreign buyers are discounting for our bond issues. This all adds up to an astronomical cost to our children and grandchildren.

Considering the growth in government spending and borrowing, and considering that we are being plunged headlong into massive public debt, there should be more, rather than less scrutiny of bills such as Bill C-7. There should be dollar by dollar accountability by parliament on the part of any government. It is obvious from this five-paragraph bill before us that accountability has been lost. It is obvious, Mr. Speaker, that this government has lost control over our economy.

Accountability for public funds has always, at least until the past ten years, been an honour and a sacred trust. Under the reign of the present government it has now become something else. It is now a vital necessity to restore accountability to

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governments and ministers. The PC administration that will succeed this one will certainly stick to that code. Bill C-7 is a prime example of what I am talking about. Seven billion dollars is a lot of money to approve of spending for general purposes. I have to tell myself what I spend my money for, and so does each member of this House. We do not try to delude ourselves that we can spend vast sums of money and put it under the heading "general purposes", and yet the explanation in Bill C-7 as to what the money will be used for reads "For public works and general purposes" That is exactly six words, not even one word per billion. That is not an explanation, it is a put-off.

When I came to parliament 17 years ago I came from the municipal level of government where I learned my lessons on accountability of elected officials. As any hon. member who also came here from municipal politics can tell us, we did not strike mill rates for general purposes. Those rates are struck to cover the cost of specified expenses and services required by the corporate body, the municipality. I shudder to think of where I would be today if I had attempted to cover an item of, say, \$20,000, by telling my colleagues to just charge it to general purposes. I know for certain that I would not be sitting here in this House.

Briefly, by way of qualification of this point, municipal government expenditures are controlled in three ways. Municipal governments are far more accountable than we are. First, council committees draw up their budgets. These are combined and brought before the whole council for debate and approval. Second, budgets are scrutinized and approved, in whole or in part, by the official arm of the province. In my case, it was the Ontario Municipal Board. In Ontario, and I suppose in other provinces, municipalities are creatures of the province and each has their municipal board. Third, mandates are often given by the people in the form of local referendums concerning certain types of laws and public improvements. There is naturally a certain amount of deficit financing allowed by the province since the province is responsible to the people. But it is not run-away deficit financing without accountability as we have seen over the past few years with this profligate government.

Day after day this government is stretching its credibility to the breaking point. Day after day the obedient ciphers on the Liberal benches across the way vote yea plunging the Canadian people further into debt. I have objected as strongly as possible to this government's practice of floating bond issues to pay interest on interest, but this has been to no avail. This practice is destroying parliament's confidence and the Canadian people's confidence in this government. They should do the honourable thing, get out and call an election.

This bill should be thrown out for at least two very good reasons—I know it won't be—but in the first place we do not have the faintest notion as to what the government wants the money for. I suspect that it is to pay interest on interest because it has to pay that, among other equally devious purposes. But the fact is that we do not know, and we know that we are not going to be told before this bill passes. Second,