

Borrowing Authority

Those are the words of the Prime Minister (Mr. Trudeau). It can always print some money without any inconvenience, when needed.

Where has that policy led this country in the last 12 years? It has led us to high unemployment, high inflation and low productivity. We can always print more money without any inconvenience. Inconvenience to whom? There is no inconvenience to the government; that is for certain, but there is a lot of inconvenience to the Canadian people.

I have never been able to understand why you, Mr. Speaker, and I have to balance our bank accounts and our incomes against our expenditures and why companies have to balance their expenditures against their revenues but the government does not. I am a chartered accountant, and I still have never been able to understand how the government can continue to borrow and borrow money and never, never practice the principle of balancing its books. Is Canada different from the rest of the world? Can we borrow our way to prosperity? I think what the Liberal government would have the Canadian people think is that we can borrow our way to prosperity. Well, we cannot borrow our way to prosperity. No society has ever received more than it earned, and I do not believe Canada will be any exception to this rule. It has not demonstrated that so far.

If you and I, Mr. Speaker, wanted to borrow money, or any company wanted to borrow money, we would have to explain what the money was to be used for and how it would be repaid. Do we see any evidence of that in this bill? What are we borrowing \$14 billion for, and how is the money to be repaid? Do the people of Canada know that? Is the government prepared to tell the people of Canada what the \$14 billion will be used for? Does the government tell the people of Canada how it will repay? No, it just makes a blanket statement that it wants a blank cheque for \$14 billion, and it will put the responsibility on the backs of our children. That is what the Liberal government has said. It wants a blanket borrowing authority for \$14 billion without any indication of what it will be used for.

Deficit spending by the Liberal government has become an accepted way of life. The budget of the Minister of Finance (Mr. MacEachen) and the Speech from the Throne attested to the fact that the Liberal government is not prepared to come to grips with our enormous fiscal deficits but, rather, it will simply borrow the funds necessary to finance runaway government expenditures.

That was said by the Minister of Finance in his budget statement last October, and it was said earlier in the throne speech. The government said it would not curtail its spending. It said it would be a deficit-financed government. That is the Liberal commitment to the people of Canada. This government will not attempt to cut its spending; it will deficit finance and continue to deficit finance whether we like it or not.

On a national accounts basis expenditures for the current fiscal year are expected to be approximately 16.8 per cent higher than they were last year, and yet the government and the Minister of Finance have the audacity to say that expected

growth in government expenditures will not exceed the rate of growth of the economy. How can a man stand up before the people of Canada and say that the rate of government expenditures will be confined to the growth of the Canadian economy and at the same time present a document which indicates that expenditures will rise 16.8 per cent? Where is the credibility in such statements? How can the people of Canada trust a government which makes such ridiculous statements?

In a speech to the House of Commons on April 21, 1980, the Minister of Finance assured Canadians that the rate of growth of government expenditures would be tightly controlled and that government deficits and financial requirements would diminish as economic growth resumed. How will economic growth resume in Canada if the government takes more and more away from the private sector? What evidence do we have, if there is any, to support the claim that the Canadian economy will grow and thereby our deficits will be reduced? I say that the statement of the Minister of Finance was just so much pious piffle, and the Minister of Finance knows it.

The Liberal government has no commitment whatsoever to restraining government expenditures. I have just a few statistics to put on the record. The average annual rate of increase in government expenditures in Canada was 19.4 per cent in the years 1970 through 1977. This compares with an annual rate of increase in the United States of 10.9 per cent. The rate of increase in government expenditure in Canada was almost twice that of the United States in the years 1970 to 1977. In fiscal 1980, spending by all levels of government in Canada represents 42.5 per cent of our economic output, compared with 30 per cent in 1961.

In 1980, of everything Canadians produce, everything we do and everything which is wealth-producing, all levels of government take 42.5 per cent as compared with 30 per cent in 1961. Is it any surprise to anyone that this government stands before the Canadian people tonight and asks them for authority to borrow \$14 billion to finance a deficit in 1980 which will be close to \$15 billion? It should not be any surprise.

Let me put this in a little greater perspective. In order to balance the federal budget in 1980, it would be necessary to double the revenue from personal taxes or apply a tax increase of more than \$500 to every man, woman and child in Canada. If we wanted to balance the fiscal budget, we would have to double personal taxes in this country, and every man, woman and child would have to pay an additional \$500. I suppose that does not really concern hon. members opposite because they know somebody somewhere in future generations will pay for it, so they would rather not face up to our fiscal responsibilities today. They would rather throw them onto the backs of future generations. If Canada is to continue to prosper, there is only one way, and that is for the federal government to move toward a balanced budget.

● (2040)

That is almost heresy today, isn't it, and politicians in Canada talk about moving toward a balanced budget. It certainly is for the Liberal government. I am not here to stand