

Borrowing Authority

Mr. Fisher: Very good, Mr. Speaker. I would just like to compliment the people on the other side and tell them how good they are when they get off scandals and back on to the economy.

Mr. Keeper: I wonder if the Hon. Member for Western Arctic does not realize that when his Party was in office it eliminated direct job-creation programs, and in fact a fellow Member of his Party, the Hon. Member for Rosedale (Mr. Crombie), has admitted in a press conference that his Party eliminated the direct job-creation program when in office.

Mr. Deputy Speaker: The Hon. Member for Western Arctic. A very brief comment.

Mr. Nickerson: Yes, Mr. Speaker, it might have eliminated them in the riding of Winnipeg-St. James, and I can well understand that, but it certainly did not eliminate them in the federal constituency of Western Arctic.

Mr. Deputy Speaker: The time for questions and answers has expired. The Hon. Member for Thunder Bay-Atikokan (Mr. McRae).

Mr. Harquail: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: The period for questions and answers has expired.

Mr. Harquail: That is what my point of order is about.

Mr. Deputy Speaker: The Hon. Member for Restigouche (Mr. Harquail).

Mr. Harquail: Thank you very much, Mr. Speaker, because the Hon. Members of the New Democratic Party—

Mr. Deputy Speaker: The Hon. Member is not raising a point of order; he is entering into debate.

Mr. Harquail: You cannot rule on it before I state it.

Mr. Deputy Speaker: If the Hon. Member is engaging in debate, he cannot make the excuse of a point of order. If he has a legitimate point of order, he may state it.

Mr. Harquail: I would be delighted to state it. Thank you Mr. Speaker for your courtesy. My point of order is with respect to the fact that three Members of the New Democratic Party consecutively had the floor. We did not—

Mr. Deans: You did not rise.

Mr. Deputy Speaker: The Hon. Member is not making a point of order. The Hon. Member for Thunder Bay-Atikokan.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I believe this is, perhaps, the fifteenth or sixteenth borrowing Bill which I have participated in over the last ten years. I feel there are some features of this borrowing Bill and of the Government's demands which are very common to all of those years. When we are looking for \$5 billion for this fiscal year, 1982-83, and then another \$14 billion for the next fiscal year, as a portion of what the estimated requirements may be, we are doing what we were doing for many, many years. We are

borrowing because we require to transfer large amounts of money to Canadians in one form or another, basically, and this keeps the economy at least going at some rate.

I believe we should really try and understand what the Government's Estimates mean. Of the total \$85 billion or \$86 billion required, 72 per cent is in the form of a transfer to Provinces or municipalities and to the Canadian people. Twenty-eight per cent, in round figures, is to be used by the Government itself. In other words, it is what economists sometimes call "money spent on goods and services". That includes Defence as well as the whole operations of the Government. I have included transfers in that 28 per cent to Crown corporations because I think they legitimately are part of the Government's operations. However, the other 78 per cent is a transfer to Canadians in one form or another, either through another level of Government or directly.

The large increases this year, 17 per cent or 18 per cent in those particular expenditures, are in the areas of transfers to people and transfers to the Provinces. Basically, these are caused by the world recession. The big additional costs are not caused by inflation but by the fact that we have much larger expenditures because of Unemployment Insurance, the need for welfare and so on.

• (1420)

There is no one in this House who would not say that unemployment was one of the major problems of our time. Perhaps, next to the danger of a nuclear holocaust, it is the most pressing problem that faces Canadians.

We have to find ways of creating more jobs. In all our communities people are despairing because they cannot find work. In Thunder Bay, 17 or 18 per cent of the population is unemployed and the situation is becoming desperate for a lot of families. It is not simply a matter of being unemployed for a short while and drawing Unemployment Insurance; some people are running out of benefits and are not able to make housing payments and so on. This can be a disaster for them. It seems to me that the Government has to spend more money and increase the deficit if we are to solve the problem.

We should look at the deficit itself, which is what the borrowing authority Bill deals with, and see if it is a short-term deficit that we are concerned about. In other words, whether, if we had a period of growth free from pressure, the deficit would go away or it is a long-term deficit that would continue no matter what happens to growth.

A group at the University of Toronto headed by Professors Bossons and Dungan has conducted a fairly extensive study of the problem and I received a draft of their report in December. It was also given a good deal of prominence last weekend on the first page of the business section of *The Globe and Mail*. The study indicated that with the tax regime that we put into place in 1978-79, and if the economy had continued with the