

*Supplementary Borrowing Authority*

directed towards the creation of jobs, a singularly high priority for the Government.

In summary and in conclusion, Mr. Speaker, approval of the borrowing authority in Bill No. C-128 is sought to support the needs of Canadians and to support Government programs at this time, all of which, as has been indicated, are directed toward the objective of economic recovery.

**Miss Pat Carney (Vancouver Centre):** Mr. Speaker, we have heard a lot of numbers from the Minister of State for Finance (Mr. Cosgrove), and I would like to give him two numbers. The first is that the average family income in this country is \$29,900. The second is that in my home province of British Columbia the average family's share of the federal public debt, thanks to the Finance Minister's new budget, is \$20,800. If you add in the provincial debt of around \$9,900 per family, the fact is that the debt load faced by my constituents amounts to about \$30,700 which exceeds the average annual family income in this country. That is the reality behind Bill No. C-128. That is the appalling and unpleasant truth which Canadians face today, and it is the shameful result of this Government's mismanagement of a rich and vibrant Canadian economy over the last decade. That is Bill C-128.

I would like to give the House some more numbers. In the economic statement last night the Government projected spending of \$79.2 billion this year and a deficit of \$23.6 billion. The gross national debt last March was \$134 billion. Interest on the debt will cost Canadian taxpayers \$16.7 billion this year.

These numbers are so large, Mr. Speaker, that they do not make a lot of sense to Canadians so we have broken them down in a more personal way. Government spending this year will be equal to \$8,400 per taxpayer. This compares to only \$1,700 per taxpayer in the year before the Prime Minister (Mr. Trudeau) took office. On a per capita basis Government spending this year will amount to \$3,200 per man, woman and child in Canada, compared to only \$500 per capita in the year before the Prime Minister first took office. Government spending is now more than six times greater than it was when the Prime Minister first took office and 15 times greater than any spending in any of the war years. One result is that one tax dollar in three is used to service the debt, compared to one tax dollar in nine only nine years ago.

We are now in a position, Mr. Speaker, where the increase in federal spending between the return of the Liberals in 1980 and the end of the current fiscal year will be 65 per cent, which is nearly double the increase in the nominal GNP of 35 per cent. Our party, of course, is pledged to keeping expenditure growth equal to, or less than, growth in GNP.

We need to review the reasons for this in order to understand the significance of this bill. One reason that the deficit has grown so rapidly is that the Government's financial forecasts contained in the infamous November 12, 1981 budget were wildly inaccurate. In order to correct its errors the Government asked Parliament last June to grant it authority to borrow another \$6.6 billion, and in July the Government

came back to us for another \$11 billion. This, of course, was in addition to the carry-over of \$3.6 billion in borrowing authority from the previous year.

My colleagues in the Official Opposition realized that this had to stop, that we could not keep writing a blank cheque for the Government to spend as it saw fit. We therefore forced the Government to reduce its last request for borrowing authority to \$7 billion. The Government requested the additional \$4 billion as an emergency fund, a slush fund, but we forced it to agree to return to Parliament if it needed to spend this additional money. We call that accountability, making the Government recognize that it is accountable to Parliament and to the Canadian people for the money it spends. We do not think that accountability is an unreasonable request. We expect the Government to explain to taxpayers what is being done with their money. We are not suggesting that the Government stop spending on important social programs. We do seek to force the Government to explain why it needs the money.

When the \$4 billion we are currently debating is added to other requests for borrowing authority, as the Minister has explained, the total amount which the Government is requesting in this fiscal year is \$21.2 billion, and the Government's financial requirements as set out in the Minister's statement last night now exceed \$22 billion. In that statement the Minister of Finance made it clear he will be forced to seek even further borrowing authority before the end of the fiscal year, and in fact he intends to do so in his spring budget.

It is important to examine the reasons for this huge increase in borrowing authority. In his "fire side chats" the Prime Minister led us to believe the huge deficit we are accumulating is all due to the recession, and both he and the Minister of Finance have pointed out with some justification that revenue has dropped and expenditures on some safety net social programs have soared since the economy was allowed to free-fall. This is a seductive argument but it ignores an important point. Parliament will recall that the deficit for this fiscal year alone of \$10 billion was projected in the November 12 budget on the premise of a third quarter recovery. In fact, when I asked the former Minister of Finance to explain why he expected the recovery since there was clear evidence that we had not bottomed out, he was unable to answer. The Minister in his own mini-budget now admits he expects the deficit to exceed \$23.5 billion.

This huge and indefensible error in forecasting meant that Government spending was well out of control even before the economy began its drastic slide. Our current deficit is not so much the product of spending public money in bad times to protect the public interest; it is a direct result of spending too much money in good times and thus undermining the public interest.

• (1650)

The Minister maintains that the deficit will be reduced when the economy recovers. He is optimistic about gradual recovery in 1983, he says, when he expects real growth of