

*Borrowing Authority Act*

ment levels in West Germany are increasing and the economy is slowing down. A lot of upper-income people and large corporations which were given breaks did not end up having their dollars trickle down. We are now trying the old trickle-down theory in Canada.

A friend of mine who runs a farm in Saskatchewan explained the trickle-down theory to me. He told me that it was like feeding a horse. The birds sometimes sit down on the ground behind the horse, because if enough oats are jammed into the horse eventually the odd kernel gets down through the system and the birds have something to eat at the other end. I do not suppose that theory works very well for the birds, as there are better ways to feed birds. I do not think the trickle-down theory has worked very well in the United Kingdom, nor has it worked well in West Germany. But it may work here. That is the hope which the Minister of Finance has for the country. He tells us that with a little bit of luck and if we all put our shoulders to the wheel, things will be OK.

It reminds me of the time when I took my two sons to see *Peter Pan*. Tinker Bell was talking about flying and explained that if one really wished and believed, one could fly. I believe we are now seeing the Peter Pan approach to economics. The Minister of Finance is telling us that if we really wish and really believe things will improve, they will. There might be a certain element of truth in that, but it is hardly the approach on which a strong economy is built.

NDP Members have a variety of concerns in terms of what appears to be the lack of direction in which the Government is moving. We also have concerns regarding the quarterly report approach to economics. The private sector, whether it is the shareholders or the companies themselves, is very concerned about the quarterly report. A lot of the successes and failures of small businesses are evaluated every three months on the results of the quarterly report. We in this Party have some concerns with regard to that kind of planning. We are concerned that the planning will be done only at three-month intervals and that we will not look ahead, as countries in western Europe and Japan have done, for at least a decade. We should start taking steps to ensure that certain kinds of economic activities will take place two or three years in the future.

In conclusion I would like to say that my Party is concerned about a variety of elements in this legislation. My colleagues will be raising a number of observations and concerns in future debates. Then we will look forward to the rapid passage of this borrowing authority Bill.

**The Acting Speaker (Mr. Paproski):** I would like to bring to the attention of the House that we are now entering the second phase under Standing Order 35(2), whereby the next speakers will have 20 minutes, plus a ten-minute question and comment period.

[Translation]

**Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance):** Mr. Speaker, I am greatly honoured to have this

opportunity to rise in the House today, in my capacity of Parliamentary Secretary to our excellent Minister of Finance (Mr. Wilson).

I am both honoured and proud, because in the few days following the Budget, Canadians have clearly understood that the present Government fully intends to act according to the very clear mandate it received last September. Only two months after Canadians had again taken control of their destiny, our Government was listening to the concerns and aspirations of Canadians through the most formidable consultation process in Canadian history, which started on November 8, 1984.

As a result of this general consultation, the Government was able to clearly define three very specific priorities. Because of the three-fold need to encompass and control the situation in our country as a whole, we cannot now afford to dissociate these priorities, which are, first of all, to create permanent jobs, second, to control Government expenditures and third, to reduce the deficit gradually and consistently. Those are the three major goals that must direct our policy for the future. On May 23 of this year, the Budget tabled in the House reflected the Government's clear-cut and realistic acknowledgement of these fundamental priorities.

Mr. Speaker, the Bill before the House today which is aimed at providing additional borrowing authority, reflects once again how urgent it is for the present Government to implement the kind of policies proposed in the Budget.

It is unfortunate but true that today we are still suffering the disastrous effects of the appalling mismanagement of this country's economy by the previous Government. It is equally unfortunate and equally true that until the new policies proposed in the Budget have any significant effect, we will still have to honour the commitments made by our country, even if those commitments reflect the poor management of the previous Government. Nevertheless, Hon. Members will understand that it is not my intention to indulge in any kind of political partisanship in presenting the Bill before the House today.

● (1600)

Nevertheless, Mr. Speaker, we are facing two very real facts: the tangible presence of the disastrous results of previous mismanagement and tomorrow's priorities dictated by systematic consultations, facts that were indeed acknowledged in this Government's brand new Budget. Thanks to the Budget brought down on May 23, the Government will save more than \$6 billion this year through more effective management of its operations, that is, \$2 billion as a direct result of this Budget and \$4.2 billion as a result of the measures already in effect announced in last November's economic statement.

The deficit for the current financial year will be approximately \$4.4 billion less than it would have been if no measures had been taken by this Government, in other words, if previous