

Borrowing Authority Act

have to ask the House for additional borrowing authority for 1982-83 some time before the end of the fiscal year.

Mr. Wilson: When?

Mr. Bussi eres: We would not expect the House to act on a request for additional borrowing authority without providing it with an update on the economic situation and the implications of these new developments for the government's financial requirements. The Minister of Finance has said he will issue a statement on the economy before the House recesses for the summer.

[*Translation*]

He also indicated, Mr. Speaker, when he appeared before the standing committee, that if a request for supplementary borrowing authority were tabled in the House, he would at that time explain why the government felt it was justified in requesting the borrowing authority. The statement to be made by the Minister of Finance before the House adjourns for the summer will also give hon. members a chance to reassess the minister's position on the economic situation in Canada. I am convinced that both hon. members and other Canadians realize that the government alone cannot be held responsible for the recession resulting from the present economic situation.

Canadians as well as the members of this House are well aware of the fact that our economy is linked to the world economic situation and to the U.S. economy. It is often said, and I feel it cannot be said often enough, that Canada has an open economy. We are dependent on foreign markets, and when there is a serious recession on those markets, we suffer the constraints of this situation. The fact that our economy is an open one and that it depends on the world economic situation and the situation in the United States, makes us even more vulnerable. Recently, Canadians and the members of this House were witness to world-level attempts at collaboration with a view to improving the international situation. I feel that inside our own country as well, we should stress concerted efforts by all economic agents to put our economy back on its feet and thus also create a favourable climate for economic recovery elsewhere.

There are a few points I would like to recall this afternoon, Mr. Speaker, which are important to this economic recovery. First of all, we should get rid of the habit we have acquired of living with high inflation rates, because that is where the root of the problem lies. Inflation creates a climate of uncertainty for investors and consumers, leading us to develop expectations and wage demands that create a climate that is very unfavourable to investment. If we want to create a favourable climate for economic recovery, we must drive out the cause of uncertainty which is inflation, and to do so, we must get rid of this habit we have acquired of living with inflation. We must also restrain our wage demands and this will happen as soon as we have rid ourselves of our inflationary expectations. All economic agents, including the federal government, provincial governments, municipalities, corporations, businessmen and

private citizens we must all pool our efforts and develop attitudes that will rid us of the disease that is undermining our society and our economy, and that disease is inflation. Once we have broken out of the vicious circle of inflationary expectations, we shall be on our way towards creating a climate that is more favourable to investment than the uncertainty which is now holding back investment that would otherwise help to create jobs, reduce unemployment and bring down interest rates.

Another aspect I should like to discuss before concluding, Mr. Speaker, is the government's extremely limited room for manoeuvring in the present recession. The government cannot afford to spend irresponsibly, and the resources at its disposal are committed to programs that would be very difficult to cut back. I am thinking here of the funds—one of our colleagues will be discussing this aspect in detail later on—which are transferred to the provinces in the form of equalization payments, financing of health care and social security, and financing of post-secondary education. Substantial amounts are also earmarked for programs such as family allowances, old age security, guaranteed income supplement and the child tax credit, all programs that are aimed especially at those people in our society who are most in need of help and who are also most vulnerable in times of high inflation. I think Canadians agree with the government's philosophy that in difficult times, when the economy is in a recession, our resources should be used to bring relief to those in our society who need it most.

The government's room for manoeuvring is extremely limited, and that is why, Mr. Speaker, I called on our economic agents to pool their efforts in order to bring down inflationary pressures. I feel that this is a key factor in helping us put the economy back on its feet. Mr. Speaker, this is the only day hon. members will have to express their views on this bill, with which the government is seeking borrowing authority for \$6.6 billion. As I said earlier, I have twice had an opportunity to speak to this bill. I appeared before the committee during one of its meetings to answer questions by committee members. I want to thank the members of this House for having granted me a few moments today to say my last words in this debate.

• (1540)

[*English*]

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, before I get into my remarks on this bill I want to make one observation that I think is very important to all of us in this House today. The minister observed that this bill has been split. I want to comment that it was split after the ruling of the Speaker, on the request of the government. It is also consistent with the action agreed upon between the government and opposition parties that the omnibus bill on energy security would also be split. These are two occasions where the government has tried to use the rules of the House to introduce