

Borrowing Authority Act

half a billion dollars last year, it is likely to lose three-quarters of a billion dollars this year, yet the same management and the same team which was running that corporation is still running it, and its budget this year will give it \$1.242 billion. They do not know where they are going and they do not know what they are doing with their repossessed houses, and we do not have a new program from the minister.

A new look at the thing has not been taken, despite studies which have been made. If we were to examine some of those programs, we might be able to reduce some of the costs, overhead, waste and duplication in government, and maybe we could get back to the borrowing requirements of the December budget and not the kind of borrowing requirements, for no investment, which are needed by this government at this time.

I want to repeat that it has been 33 months since we have had a budget passed by the House. I want to repeat the statement made by the Minister of Industry, Trade and Commerce (Mr. Gray), who was the finance critic of the government party when the government was in opposition, that no borrowing authority bill should be passed without a budget. That is the case.

I want to say that Parliament has had the obligation, since the time of King John and Magna Carta, to prevent taxation without consultation, and borrowing is a form of taxation. When we allow a government to borrow, we allow that government to pay interest on its borrowings. That becomes a compulsory requirement for the government, and so it is a form of taxation. This bill represents \$12,000 million in further spending.

Mr. Bob Rae (Broadview-Greenwood): Mr. Speaker, the question of the government's requesting some \$12 billion in borrowing authority gives us an opportunity to assess where we are going in our national accounts. It also gives us the opportunity to ask ourselves certain questions. Why do we borrow money? What is the purpose of this borrowing? What is wrong with the economy and the system of accounting the government has at the moment?

We face an economy which is in recession. Unemployment is going to be up over 9 per cent this year. Inflation will be up over 10 per cent. Real personal disposable income will be down and over-all growth in economy will be down.

Unemployment and inflation are the obvious challenges facing Canadians, but underlying structural problems in our economy are even more severe. We imported \$17 billion more in finished goods than we exported. We ran a deficit of some \$9.6 billion in our service account in 1979. Over the last 33 years we have exported more than \$48 billion in interest and dividend payments out of the country.

• (1610)

The point is not simply, as the hon. member for Mississauga South (Mr. Blenkarn) said, that we need a budget. Obviously we need a budget. We have needed one since we did not get one from his colleague, the hon. member for St. John's West (Mr. Crosbie). We have needed one since we did not really get

one in November, 1978, when the current Minister of Justice (Mr. Chrétien) was minister of finance. We have not had an indication from the government as to where it thinks we should be going since April, 1978.

It is not simply that we need to have a budget in the shorter term; it is that we need an indication from the government that it understands the implications of budgets in the solution of our longer term problems. We need budgets which guarantee, in co-operation with our provinces, that our renewable resources in fact are renewed; that our forests and trees in fact are regenerated so that they can continue to be used; that our fishing supplies and tremendous resource in the fishing field on the east and west coasts are not depleted and destroyed by overuse; that our grain on the prairies can be grown and grown again, taken to the ports and exported. We need to ensure that we transform and refine more of our resources on which we are so dependent here in Canada.

There is much talk of getting off oil. I think it is just important that we in a sense get off the notion that it is solely the export of our natural resources which will provide for the future of our country. Just as it is true that "A barrel of oil sold is a barrel of oil gone forever", to quote the words of the Saskatchewan minister of finance, Mr. Tchorzewski, it is also true that a ton of ore sold is a ton of ore gone forever, a ton of uranium sold is a ton of uranium gone forever. Those resources are being depleted as they are sold. We need to develop an industrial, transport and energy base which is sufficient to provide for the employment of Canadians today and in the future. In fact we need to create a diversified, Canadian-controlled mature economy. We have a long way to go before reaching that goal.

Finally, I think we need a budget which recognizes that the problem and challenge of poverty in Canada and the rest of the world of which we spoke about today in committee is just as important now as it was in the 1950s and 1960s, and as it was in the 1930s. We have an orthodoxy which tells us why it is we cannot take the investment decisions that might lead us out of the current economic morass in which we find ourselves. There is a Liberal-Tory orthodoxy. It was expressed timidly by the minister. It was expressed vividly by the Prime Minister (Mr. Trudeau) today and by the minister responsible for housing. It was expressed in a slightly more brazen and bald form by the hon. member for Mississauga South, as we might expect. But still the underlying intellectual, if I may use that word to describe it, roots of that orthodoxy are exactly the same; that is, our budgetary deficits are responsible for and contributing to the inflation we are suffering from, that they are so immense we cannot possibly either stimulate the economy or provide for the longer term solution of our problems. In this view it is monetary and fiscal restraint alone which are essential in order to restrain the excess demand which is the main cause, in this view of the economy, of inflation.

In this conventional wisdom, as it is frequently expressed by the hon. member for York Peel (Mr. Stevens) and expressed in a slightly more pallid manner by the Prime Minister, borrowing and debt are evil and wrong. It is what I call a Calvinistic