

Borrowing Authority

donell made quite a point of that in a report of his a few years ago. It has not been rectified yet.

As I said, the accumulated deficit is a colossal \$68,600,000,-000. If we translate that into the situation of an individual Canadian, it would represent a personal debt equivalent to something in the order of 25 per cent more than his annual income. That is not disposable income I am talking about but annual gross income, given obligations and so on.

Mr. McRae: Not nationally, gross national product though.

Mr. Andre: The hon. member opposite says "Not nationally, gross national product". We have not quite reached the stage in this country where the government has total control over every penny of gross national product. We are talking about the government. That gross national product to which the hon. member was referring is my income, his income, and the income of other citizens. The Government of Canada has not yet reached the point at which it has first call on every single dollar of a citizen's income. At least not yet.

Mr. McRae: It is a smaller percentage than in Diefenbaker's time.

Mr. Andre: The hon. member talks about it being a smaller percentage than in Diefenbaker's time. He is again utilizing the fictitious and phony comparisons which have to do with the fact that when the war ended there was no question that Canada had a larger debt proportionally than we do today, as did all free nations of the world which fought against totalitarianism. The battle cost money, and they had a deficit. Since the war that deficit has been steadily reduced, until about 1975. Until then the Diefenbaker era, to which the hon. member was referring, saw the total national debt on the same downward plane, being reduced year after year. Since 1975 the opposite has been occurring. If the hon. member would like to see for himself I would refer him to the Public Accounts. For March 31, 1980, there appears a chart in the Public Accounts which shows the accumulated deficit as a percentage of gross national product. In 1976 it was 14.1 per cent; in 1977 it was 15.5 per cent; in 1978 it was 18.9 per cent; in 1979 it was 24.3 per cent; and in 1980 it was 26.4 per cent. Based on the deficit of the year we have just finished it will be in excess of 30 per cent at the end of this fiscal year. So the hon. member ought to look at the facts before making those specious comments.

The reality is that the deficit, as a proportion of national debt, is increasing at an alarming rate. The government's deficit this year is \$14.5 billion. By comparison, the United States is looking at a deficit of perhaps \$40 million. And they consider that astronomical. Both the Democrats and the Republicans consider that an unacceptable deficit. All U.S. politicians during their last election were saying they had to bring that deficit down. And their economy is ten times the size of ours. If they had the same kind of deficit which Canada has, they would be looking at a deficit in excess of \$160 billion. They consider \$40 billion, which is one-third of ours in relative terms, as astronomically high about which something must be

done. Yet the hon. member opposite says, "What the heck. We only have a \$14 billion deficit. That is not a serious problem." I hope he was just exchanging partisan debate there.

Mr. McRae: We will get up later on and explain.

Mr. Andre: I hope his comments do not represent the mood of the government and its supporters. Indeed, it will be very tragic if something is not done about this deficit, and done soon. The disturbing thing about this deficit and the accumulating debt is that they are not as a result of apparent policy. Mr. Speaker, you were here in this House, as I was, in 1974-75. I can recall the then minister of finance, John Turner, and subsequently Donald Macdonald, saying that the government was engaged in a program of restraint. They said they were determined to keep spending below the growth in the gross national product. Since that time the deficit has gone from 14.1 per cent of the GNP to over 30 per cent. It has more than doubled, as a percentage of GNP, during a time when every single finance minister emphatically stated in the House that he was dedicated to government restraint and to holding the deficit in line. They were either not telling the truth or they were simply not backed up by the apparatus of government and by their party. No one provided any back-up to these policy statements. In a sense, it was a kind of lie as well.

What is the problem with a deficit? Why is it not a good thing? After all, it does not hurt you or me immediately. The money which is being talked about is meaningless. Once you get past talking about a few thousand dollars most of us cannot comprehend these large amounts. After all, no one is digging into my pockets for it, nor into the pockets of my constituents. Apparently government is able to get it somewhere so why should we worry about it?

Is it really a matter about which Canadians are concerned? It most definitely is, in a democracy. We either need a government which recognizes the problems and concerns itself and then acts in accordance with the best wishes of the nation, or we need a concerned public which forces government to act in the best interests of the nation. Based on the performance of this government we need that informed public. We need a public which is aware of what is happening, aware of the damage that this kind of continuous deficit financing can cause. We need a public which will bring pressure to bear because, if it does not show up at the polls as something the government should do, it will not get done. We know that much from watching the operations of this particular party which is in power.

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The Economic Council of Canada in its Seventeenth Annual Review, its most recent review, discusses the question of deficits. In fact I am about to refer to a section entitled "The Question of Deficits". The section holds out some arguments for and some against, without taking a view one way or another. It states:

The simplest and perhaps for some the most forceful argument against deficits is that future generations must pay for them and that they ought not to. If the