

circumstance, admits that he has to borrow more money in excess of what he is seeking now. In other words, if the demand for borrowing authority is greater than it is now and if no extraordinary circumstances exist therefor, then the Minister of Finance will have to admit to the House that he has failed in his mission. But I do not think he will.

I am satisfied that the people of Canada have recognized the fact that the prior administration had lost control completely over its expenditures and they told the incoming government: "That is your first task." Reasonable people will say, "We will give you a certain amount of time to do it". The proof of the pudding will be in the eating next year, at the end of the authority granted by the bill before us. The concept of the bill is very narrow and it does not cover the whole economic field.

I wish the New Democratic Party would come along and tell us what they see as the requirements for borrowing. Of course, they would want to borrow maybe \$20 billion, \$30 billion or \$40 billion as they let go with some of their more irresponsible programs. No way, Mr. Speaker.

I recommend to hon. members that we accept this bill. It will go before committee where hon. members will be able to examine the Minister of Finance and his officials in greater detail. Then it will come back to the House. But it is required and I would therefore ask hon. members, in a spirit of fairness, to accept it. We are not playing games over the election, over what was said and what was not said. The former minister of finance, the hon. member for Saint-Maurice (Mr. Chrétien), and I have verbally crossed swords many times across the floor of this House. He knows that I knew what he was trying to do. Sometimes I caught him out, but he knows that what I have said this afternoon is absolutely right.

Because he is a good Canadian, I am sure he will want to join us in getting after this particular problem. He knows it was there, that it was recognized at the time of the election. Unfortunately, it had been blown up too big and too fast and had gone beyond the control of the previous administration. I commend the bill to hon. members and would seek their affirmative vote.

**Hon. Jean Chrétien (Saint-Maurice):** Mr. Speaker, I do not intend to make a very long speech because I know of the problems facing the Minister of Finance (Mr. Crosbie). I went through this kind of experience when it used to be that these borrowing bills were just an item in the estimates and we did not have to present official bills and so on. I was forced for days and days to sit in the House listening to gloom and doom speeches for nothing. So I do not intend to do that. I just want to make a few points which in my judgment are important at this time.

The hon. gentleman knows I have a lot of sympathy for him because I too have been minister of finance in difficult times. I think sometimes we have to have fun but I did not find it too funny this afternoon when the Minister of Finance treated this problem in a very light way, trying to make a joke out of a very difficult situation. I think that he will gain nothing by

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trying to be funny in the face of the problems this nation is encountering at the moment.

I would like to make reference to a few points which are worrying me very much. When one is under pressure, as the Minister of Finance is at the moment, I think it very important that one get as much support as possible. I feel very sorry for him when I see his present situation, because in order to have stability in the Canadian economy we need to have confidence in our Minister of Finance.

At this moment when the Canadian dollar is still under extreme pressure, the present government is facing many problems. They made brave speeches during the summer, especially the President of the Treasury Board (Mr. Stevens), to the effect that they would bring expenditures under control and so on. Now we realize after only a few months that the Minister of Finance has to admit, as he did last week, that his predictions of last August were not right. Two months after making them, he has to admit that his predictions of August were off the target by \$500 million. He gave me hell for the type of difficulties with which I had to cope. I do think that this situation is not one which calls for the Minister of Finance to be making funny speeches.

Everyone in the business community knows that the Minister of Finance wanted to keep his deputy minister because Bill Hood was a competent man. I heard what the minister said when he was a member of the committee in the spring after the prime minister had appointed Mr. Hood on my recommendation. He said to Mr. Hood in my presence that he was very competent, and that if there was a change of government in the coming months he would have an easier time with the new minister of finance. The first thing that Mr. Hood heard from the Prime Minister (Mr. Clark) was that he was fired and that it was against the wishes of the Minister of Finance. I have never seen such a thing and I feel very sorry for the present Minister of Finance.

● (1640)

As I said in the House the other day, there is another problem that is in my mind very much at this time, and that is the future of the governor of the Bank of Canada. It took some time for the Minister of Finance to realize that, after all, he was responsible for interest rate policy and he could not just say that it was the responsibility of the governor of the bank, because since the Coyne affair it has been very clearly established that the ultimate responsibility is vested with the minister of finance.

When I was minister of finance I never tried to run away from my responsibilities. I know it is not pleasant for any minister of finance to accept a recommendation to increase the interest rate. That is not fun, but very often we have no choice because the alternatives are more difficult. I was pleased to hear the Minister of Finance say that he had complete confidence in the governor of the bank. That is the way things should be because the Minister of Finance has full responsibility. But if you are in the marketplace today and you look at the