

Borrowing Authority

paid just to carry the debt. That interest amounts to some \$1,700 per taxpayer, at the present time; that is, before the passage of this Bill seeking authority to borrow further. The gross accumulated debt amounts to \$5,500 per capita. That interest, just for the record, amounted to 4.8 per cent of the country's Gross National Product in the year now drawing to a close. That compares to 2 per cent when the Government first came to power 15 years ago.

Just as important is the loss of fiscal manoeuvring room. In 1968 and 1969, one tax dollar in nine was needed to service the federal debt. Today it takes one dollar in three. That means there is simply no room to undertake expensive fiscal measures to encourage recovery.

I believe the celebrated John Turner said something during his spell as Minister of Finance about spending our way out of recession. That is just the sort of thinking that has brought us into the present situation and depression. When the Government has spent its way out of a recession and then spent its way through a period of recovery, and all the time borrowed to do it—because, after all, the voters would not like to be taxed, would they?—then there simply is no more room to move around when it is necessary to do so. That amounts to nothing more than simple thinking, always looking for the easy way out, not caring for the country in its charge, looking no farther than the next election. Every person who has held a finance portfolio in a Liberal Government over the past decade and a half stands condemned of that fact. So do the willing sheep who, as they did last week, will stand on demand and bleat their approval for anything done by a member of the Government so long as he is a Liberal.

The third effect is that those in the private sector, the people and organizations actually creating real and permanent jobs in our society, are squeezed out of the money markets. Last year, 51 per cent of the net public borrowings in Canada were undertaken by the federal Government. That does not leave very much for the people who are to create jobs, lower inflation, pay salaries and bring prosperity back to our society. Of course, by cornering half of the available loan money, the Government has effectively bid up the price of money, the interest rate, out of all conscience, both for itself and for borrowers from the productive private sector.

Fourth, and perhaps most important, is the matter of confidence. Neither the decision maker in the private sector nor even the private citizen, whose only experience with finance may involve the family budget, can have any level of confidence in a Government which, for two decades, has shown less competence in trying to run the country than does any housewife in trying to run her household successfully. There is a rule in poker that one should never throw good money after bad. But what choice have we? This is like buying buckets for a sinking boat. There is little alternative.

I see that Your Honour is starting to signal that my allotted time has expired. Again, let me emphasize the fact that we on this side of the House feel that the Government should be more accountable to the House before demanding outright the astronomical sum of \$19 billion.

• (1620)

Mr. Lorne McCuish (Prince George-Bulkley Valley): Madam Speaker, during this debate on Bill C-143 relating to the Government's supplementary borrowing authority we will hear a lot of figures being bandied about, and I certainly intend to do a little bandying myself to emphasize the seriousness of our country's most serious financial situation.

Many Canadians may find themselves having trouble understanding exactly where Canada stands financially. Even officials in the Department of Finance, including the Minister himself, are having problems.

However, one does not have to be a high-powered statistician or an economist to know that Canada is seriously in debt. Mr. Speaker, the simple fact of the matter is that the federal Government has not balanced its cheque-book since the 1969-70 fiscal year, one year after the Prime Minister (Mr. Trudeau) took office.

It is interesting to note that if this Liberal Government had been responsible and worked within a balanced budget each year, Canada's national debt now would be something under \$3 billion. As it is, we have a staggering debt that even our grandchildren will never be able to pay off.

It would be interesting to have a peek at the personal chequing account of the Minister of Finance (Mr. Lalonde). I wonder whether his own system of dealing with his personal finances is anything like the system that he uses in his role of Finance Minister in looking after the affairs of the nation. Somehow, I very much doubt it. However, it is a fact that the Minister of Finance is charged with the duty and the responsibility of managing Canada's financial affairs in a sane and reasonable manner. I regret to say, Mr. Speaker, that this is not being done.

As a consequence, we find that people have lost faith. They know that the Government has absolutely no interest in working within a balanced budget and, as a result, it goes to the money markets, it reduces the availability of money, it shoots the interest rate up, and that makes it harder for the independent businessman, the farmer or the householder to obtain money at a reasonable rate. More important, through certain external forces, the interest rate in Canada has been thrust down to a point where it is now almost manageable, and at this particular time in the life of a Canadian it is imperative that he have confidence. How is he going to have confidence when the Government presents a \$5 billion supplementary borrowing authority Bill and, right on the heels of that, without explaining its way out of it, without telling Canadians what it is going to use the money for, it is asking for a further \$14 billion to \$15 billion?

There is a building contractor in my riding of Prince George-Bulkley Valley who considered himself fortunate when he was awarded a contract for \$2.4 million to build a school, through the Department of Indian Affairs. He considered himself fortunate. He is now really wondering whether he has his sanity. The contract, of course, was with the Department of