

Borrowing Authority

Mr. Gordon Taylor (Bow River): Mr. Speaker, first I would like to read part of Bill C-59. If this bill is passed, it will give the government authority to borrow \$14 billion. In part, clause 2(1) reads:

—by the issue and sale or pledge of securities of Canada, in such form, for such separate sums, at such rates of interest and on such other terms and conditions as the governor in council may approve, such sum or sums of money, not exceeding in the whole, fourteen billion dollars, as may be required for public works and general purposes.

That statement alarms me. It does not give any definite purpose for the borrowing or any indication of what the interest will be. Nor does it give any consideration to terms. It simply asks the House of Commons for a blank cheque to borrow \$14 billion. When I heard hon. members of the NDP supporting this bill so vehemently the other day, I could not help but think of the phrase which would seem to symbolize what they were saying. They were saying that the government now has a debt of some \$80 billion; it is going to borrow another \$14 billion; in other words, it is trying to borrow its way out of debt.

I think it is possible to borrow one's way out of debt. The statement often used in the west that this country was built on credit is correct. It was not built simply by borrowing, but by making sure the money borrowed would create and produce. But too often the borrowed money is used for routine services.

I could not help but think when I heard members of the NDP urging the government to borrow more and saying \$14 billion is not enough that they want to hasten the day when this country goes bankrupt.

During the last few years we have not reduced our national debt. We have been increasing it continually. We are not borrowing our way out of debt; we are getting deeper and deeper into debt. If the Prime Minister (Mr. Trudeau) and the Minister of Finance (Mr. MacEachen) were running a private business in Canada this way, they could not get a loan from a bank. They would be bankrupt along with the other 5,000 or 6,000 companies which have gone bankrupt recently. Practical people in Canada fear that we will go bankrupt. The only difference between the NDP and the Liberals is that we would go bankrupt faster under the NDP. The NDP would really have to speed to go faster than the Liberals are going right now; they would have to put everything in super high gear. I am concerned about this.

A difference should be pointed out to NDP members and to Liberal members who support this bill. Simply borrowing will not get us out of debt. I can borrow \$1,000 from the bank if my credit is good. If I use that \$1,000 to live high, to take a trip or to buy the girlfriend a beautiful new outfit as a Christmas present, to go to a hockey game to see the parliamentarians play or go to national league play, I could spend that \$1,000 without any difficulty. But, when the time comes to pay it back, I then realize it has not created a thing, nor have I produced any more wealth.

I read in the paper the other day about someone from the east who had moved to Calgary. He said he was living in Calgary because people in the west produce and create. It is

not that people do not create and produce in the east, but his impression was that too many of the eastern people were getting into the habit of borrowing money for routine expenses. They were not using their money to produce additional wealth.

Let us examine the following proposition: how will I pay back \$1,000 plus the carrying charges and make a profit if I do not produce new wealth; it is impossible. It would be just as difficult if I tried to raise myself from the elevation on which I stand by pulling on my boot straps. I can pull and pull and pull, but I will never get any higher. If I want to get higher, I have to make an effort, climb a ladder or do something to reach a higher elevation. If I am to make use of the money I am borrowing, I have to produce new wealth. If I borrow this amount of \$1,000—I am using the nominal amount of \$1,000 to make it easy to follow—and I buy some calves or cattle and a really good bull and thus produce more cattle and more cattle, it will not be too long before I will be able to pay back the \$1,000 plus the carrying charges and have some profit left. By doing this, I have created some wealth.

The same thing can be said if I buy some land, sow it and work it; I then produce wealth. Perhaps I might buy some additional land and fertilize it. The same thing happens; I produce more wealth and I can repay the loan. But that is not what the Canadian government has been doing. It has been borrowing and borrowing and borrowing to the point where we now have \$80 billion in debt, and we are still borrowing. We cannot even see daylight at the end of the tunnel. We are going deeper and deeper into debt. If we keep this up, we will go right into the chasm of bankruptcy, and that is a pretty black hole.

Canadian people do not mind borrowing if the money is used to create new production and new wealth. That is the way to do it. But simply to borrow to use the money for routine expenses or to hire more people who produce nothing—they might do some work, but they produce nothing—will not get this country off the rocks or off the shoals we are now going toward. We will simply go deeper and deeper into debt.

When people say this country was built on credit, they are talking about the kind of credit of which I referred a minute or two ago. Breaking new land, creating new wealth, creating new production: those are the things which will increase the gross national product. The more we borrow simply for routine expenses, for high living or for trips, the more we will plunge deeper into this chasm of debt.

It is now ten o'clock, Mr. Speaker. I want to deal with the shame of some of our foreign debts when I resume, with your permission, tomorrow.