

Borrowing Authority

Is the Hon. Member saying that, yes, the strategy is designed to support the friends of the Government in the business community who are receiving all types of grants which are not being monitored or evaluated and which are certainly not being used for training? They are being used as a way of subsidy back into some of those businesses. The quality of the training is so pathetic that it makes one weep.

That is the Tory way of doing it. That is fine. I am glad that that is the approach that they take. I think that Canadians know that there is an alternative. There is the skilful use of the public sector.

It is interesting to note that in the provinces of western Canada, about which the Hon. Member talked, in 1987-88 in Manitoba in particular job funds dropped from \$75 million to \$48 million. In Saskatchewan the funds went from \$58 million down to \$39 million. Even in the Province of Alberta the figure went from \$141 million down to \$103 million. Who is talking about increases when those provinces are experiencing cuts of 30 per cent? I think that the Hon. Member had better start to look at the Estimates of the Department of Employment to find out who is trying to serve the people of western Canada. He might start to look at the figures rather than to continue on in the fantasy in which he lives perpetually.

[Translation]

The Acting Speaker (Mrs. Champagne): The period provided for questions and comments has now expired. Resuming debate. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse).

[English]

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, I am surprised that none of the government Members wish to defend their application to the House for some \$25,300 million. Perhaps the proposition is so hard to defend that they find it easier to sit in their seats.

These funds apparently are to be used, as the Bill states, as may be required for public works and general purposes and shall expire March 31, 1989, to the extent that the unused authority exceeds \$3 billion. In other words, once again we will carry into the next fiscal year some \$3 billion. This means that something in the order of \$28,300 million or thereabouts is being carried by the Government as a borrowing authority. We presume that this will be used basically to cover the deficit that is being projected at slightly higher than that amount of money.

This is the type of measure that a great many small businesses and farmers undertake at the beginning of every year. They go into the bank to obtain a lending authority from the bank. They establish a line of credit. Essentially, that is what the Government is attempting to do with this particular Bill. It is attempting to get that authority from the House of Commons, the body which is supposed to monitor Government expenditures and without whose consent Government could not spend the money. The Government comes to us and asks for the right to borrow money to the extent that I have just noted when tax revenues fall short of meeting the current expenditures.

Habitually, we find that there is usually a big lending authority requested early in the year, as is this one, and then there will be a series of smaller ones made later on. We will not know until later on just how large the next series of expenditures will be. However, I do note that in reviewing the Estimates for 1988-89 that expenditures will continue to climb. In the fiscal year that we are about to finish I note that budgetary expenditures went up 7.7 per cent at a time when the Minister of Finance (Mr. Wilson) was telling us how carefully he had reduced expenditures and how he had control of the Budget and how he had the deficit in hand.

In going through the Budget papers that were presented a couple of weeks ago, I wanted to find out just how much in hand this budgetary deficit was. I found that it is not quite as well in hand as the Minister leads us to believe.

When he became Minister of Finance in mid-1984-85 we had a gross accumulated deficit of about \$200 billion, according to the papers that he presented with his Budget. It is listed as \$199,092 million. Today, in the 1986-87 year, we have a net public debt of \$264 billion. This means that in the period of time that the Minister of Finance has been in charge of the finances of the country the deficit has increased more than 30 percentage points. In fact, more than 30 per cent of the accumulated debt of the country since 1867 has been accumulated in the three and one-half years that the Minister has been the Minister of Finance. He says that we have the deficit in hand. He says that he is staying the course. He leaves the impression that the course is to get us out of debt and to get the public finances in some order.

I mentioned the extra billions of dollars, some \$165 billion, that he has left future generations to carry. Some people say that it does not really matter. They say that what is really important is how large the deficit is in relation to the Gross National Product. So let us look at how he has managed under that set of rules.

When he became the Minister of Finance we had just shifted from 39.6 per cent of our national debt to Gross National Product. In other words our national debt was accumulated debt and equalled 39.6 per cent of that year's Gross National Product. At the end of 1986-87, which is included in the Budget papers, we find that our net public debt accumulated over all the years is now 51.8 per cent of our Gross National Product instead of the 39.6 per cent. I am afraid that staying the course will not solve the problem the Minister has defined as being one of the main problems the country faces.

• (1240)

We note that the Government has reduced the Public Service by a considerable amount. There are many fewer employees now than there were before, yet expenditures have not dropped as a result of this tactic. The first Budget of the Minister of Finance (Mr. Wilson) had budgetary expenditures in the neighbourhood of \$111 billion. This year's expenditures are expected to be \$132.25 billion, some 20 per cent higher than they were when this Minister became the Minister of Finance.