

Borrowing Authority

amount which the Province stole from those people was up to \$50 a month per couple. The federal Government is allowing that to happen. What kind of agreement does it have with the Provinces? What kind of misplaced trust does it have in Tories and Socreds that it keeps on handing money over to them to stick in their own pockets?

About the only Government that I know of which has a worse financial record of getting deeper and deeper into debt at public expense than this Government in Ottawa, is the provincial Government in Victoria. Eight years ago it had an accumulated debt of some \$4 billion which was spread over 100 years of Governments of all political stripes. That has more than trebled in just the last eight years. It is a record which almost makes the miserable record of the federal Government look good. That is the kind of wastage we are seeing at public expense continually.

Surely it is time, Mr. Speaker, for some new system of priorities. If the Government is going to go into debt, let it go into debt to create work and not simply to put people on welfare for years and years, not simply to pass on contracts to its friends, which is the only motivation we can think of for the northeast coal subsidy because it is going to devastate existing communities. We just cannot picture any other motivation. If Government wants to borrow, if it wants to use its existing financial capacity to build new industries, it must work out arrangements with some of our trading partners and, if we are going to sell resources and commit resources on a long-term basis, we must get something in return. We must have assurance that some of the facilities which will service these industries will be built in this country, with this country's labour and with this country's trained people. That would be a valid expenditure. It is time, Mr. Speaker, to put an end to the Government's just shovelling money out of the public bucket into its friends' pockets. Unfortunately, that is all that we have seen happening over the last number of years.

The Acting Speaker (Mr. Corbin): Questions, comments? Debate.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak on Bill C-151. This Bill seeks authority to borrow an additional \$14.7 billion. To date, the Government has come to Parliament seven times in this session to seek more borrowing authority. In fact, the projected financial requirements of the Government between 1983-84 and 1986-87 total some \$93 billion. This would indicate that Parliament is in for a steady stream of large borrowing Bills over the next few years. There are at least four distinct economic costs to continuing deficit financing of this magnitude. First, there is the ever-growing interest burden. This year interest on the national debt cost an estimated \$17.6 billion, or the equivalent of \$1,700 per taxpayer.

The second cost is the loss of fiscal flexibility. In the past the Government had the option of undertaking costly and significant fiscal measures to spur recovery. Today, Mr. Speaker, there is virtually no room remaining in which to manoeuvre.

The third cost is that the productive private sector when endeavouring to borrow is crowded out, and this is causing interest rates to rise. In the 1982 calendar year, federal Government borrowing accounted for 51 per cent of the net new security issues placed in Canada. If there was less federal Government borrowing, there would certainly be less demand for money and interest rates would be lower.

The fourth cost, Mr. Speaker, is one of confidence. The investment community does not trust a Government which continues to live so far beyond its means. They do not want to hold a currency which continues to be debased by excessive Government borrowing. As a consequence, our dollar is at a low ebb, thus driving up the cost of living in Canada. As the Government attempts to support the dollar, our job-creating capital has gone elsewhere.

By way of comparison between today's expenditures and those of 1968-69, when the present Prime Minister (Mr. Trudeau) took office, I wish to place on the record the total spending for that year as taken from the book entitled, "How Your Tax Dollar is Spent" as it was reported by the then President of the Treasury Board, the Hon. C. M. Drury. It is an amazing little document. I have kept copies of it in my files, Mr. Speaker. In this report, the total listed for all functions of Government in 1968-69 amounted to \$10,767 million. That is truly amazing. We were then a nation of some 20 million people. We have grown slowly in population to 25 million, but spending on a public accounts basis has grown for this year to a total of \$90 billion, an increase of some 555 per cent. The reasons behind this fiasco are well documented. For example, the Auditor General of Canada, Mr. Dye, comments as follows in his Report:

The commitment for \$1.7 billion to Petro-Canada by the department, without commensurate responsibility, raises serious concerns.

In an appendix to his report, Mr. Dye also noted other deficiencies: inadequate management controls in overpayments totalling \$285.3 million under four major energy programs by the Department of Energy, Mines and Resources; the Department of Public Works failed to recover expenditures from Canada Post Corporation of \$61 million; during fiscal 1981, the Unemployment Insurance Commission is estimated to have made overpayments of \$178 million, and the list goes on, page after page.

We are speaking today about a vast expenditure of money. Some of it undoubtedly will be well spent. Unfortunately, however, I fear that a large percentage of the amount listed in the Bill before the House will be wasted or spent frivolously on so-called make-work projects. These projects do not necessarily improve the infrastructure of Canada, nor do they give meaningful or long-term employment to our people.

I believe it is way past the time when we should be giving recognition to some salient facts, and plan accordingly for some meaningful Canadian development. For example, Canada is one of the major trading nations of the world. Everyone seems to know that, Mr. Speaker, but the Government. Canada is also a major deep sea shipping nation, but not