

GOVERNMENT ORDERS

[English]

AN ACT TO AMEND THE STATUTE LAW RELATING TO CERTAIN TAXES AND TO PROVIDE OTHER AUTHORITY FOR THE RAISING OF FUNDS

MEASURE TO AMEND

The House resumed, from Tuesday, April 27, consideration of the motion of Mr. Bussières that Bill C-93, to amend the statute law relating to certain taxes and to provide other authority for the raising of funds, be read the second time and referred to a Committee of the Whole.

Mr. Ian Deans (Hamilton Mountain): Madam Speaker, I was making some comment on this government order last evening when we reached the adjournment hour. I would briefly sum up today what I believe is wrong with this bill. I find it very difficult to grant to this government the authority to borrow further. The reason I find it difficult is that it has mismanaged the finances of this country and mismanaged its economy to such an extent that it has created a sense of despair in Canadians about their personal future and that of their families.

If the government were to have a further borrowing capacity it would be used in exactly the same manner as it has used its existing borrowing capacity. The government would use its tax revenues from individuals and groups in exactly the same way. I believe that if I agreed to grant the government a further borrowing power I would be neglecting my responsibility to my constituents.

I firmly believe that if this economy had been properly managed we would not have the high interest rates which we are currently faced with. If we did not have the high rates of interest that we are currently facing, there would be more job opportunities in this country. One million of the million and a half people who are currently unemployed would be employed. If those one million people were employed and earning a living, and if they were producing products in their places of employment which would be sold both in Canada and around the world, we would be generating sufficient tax revenues to make it unnecessary for this government to go further into the money marketplaces to borrow at exorbitantly high interest rates.

● (1520)

The reason this government is required continually to come back to the House of Commons to ask for additional borrowing power is that this nation has such an unused productive capacity, primarily as a result of this government's fiscal and monetary policies. These policies have further reduced the tax flow and revenues which could have been used and should have been used to meet the ongoing economic and social programs that the government wants to put before the public of Canada. I want to say, quite frankly, that there could be no doubt in the mind of anyone that the responsibility for the economic chaos which exists in almost every single municipality from one coast

Taxation

to the other rests entirely with the Government of Canada at the federal level.

I say to the minister that I have never felt the necessity to worry about interim borrowing on the part of government. I have always felt there would be times when governments might have to borrow money. As in the case of individuals and corporations, it is necessary from time to time to borrow money in order to proceed with long-term projects.

Mr. Blenkarn: Long-term projects, of course.

Mr. Deans: However, I suggest to this government that, as a result of its high interest policy and as a result of its determination to pursue the Reagan theories—

Mr. Blenkarn: Not Reagan theories.

Mr. Deans:—it has raised the cost of borrowing, both for private individuals and for government, to a level which makes it virtually impossible to contemplate allowing that opportunity to this government, at least at this time.

I want to know what the money will be used for. I suppose that I could be convinced in my mind of the necessity of the borrowing if the minister were to rise in his place and explain the long-term projects and the proposed schedule of payments. We should be satisfied that we would derive sufficient cash flow from the proposed projects to enable us to pay off the indebtedness. I would not even mind if the government were speaking about borrowing in conjunction with a series of other proposals, one of which would have to be the reduction of interest rates. I would even not mind if, in conjunction with the borrowing and the reduction of interest rates, the government were to state that it sees the necessity of stimulating the economy at this time in order to put a million and a half people to work and to provide job opportunities for Canadians who so desperately want to find employment but cannot. I would be prepared to consider granting to the government the opportunity to borrow at a reasonable rate of interest in order to stimulate the economy in certain areas. This would guarantee that a sense of economic growth is being developed across this country and that people are able to find a place to work and earn a decent living, allowing them to buy goods in the consumer marketplace and provide homes for their families. That would make sense to me.

However, why is the government borrowing? Is it borrowing to build homes? No, it is not. Is it borrowing to ensure new economic growth? No, it is not. It is borrowing simply in order to pay for the debt that it incurred from borrowing some years ago. It is borrowing to pay off old debts. There is not sufficient growth in this economy to justify that kind of action.

As I said last night, I spent four days last week in my constituency. I met with many people, from high school students to old age pensioners. I met with representatives from the unions of workers. I met with the chief executive officers of various companies. I met with small business people. We discussed the problems which had suddenly become apparent, "suddenly" meaning over the course of the last couple of years.