

These are the estimates the House is asked to pass. In order to cover some of this vagueness in figures we are asked to set down for the Government the authority to borrow in excess of \$22 billion, in case the figures do not work out under either the new or the old accounting systems.

The deficits we have accumulated have been of a concern in this House. I just want to go back into the accounts to make a few comments about this. The current Minister of Finance (Mr. Wilson) in one of his first budgets, his economic and fiscal statement for 1984, and I refer to page 4, said that by the end of 1984 the accumulated deficit of Canada would be in excess of \$190 billion. That was his estimate to the end of 1984. Since we added in excess of \$30 billion to that deficit in 1985 I think we can assume that the accumulated deficit for 1985 is in excess of \$220 billion. Indeed, in his economic and fiscal statement of 1984, on page 4, the Minister of Finance estimated that by 1990 we could be having an accumulated deficit approaching \$410 billion.

What that means is that in each year in the expenditures that we set out for ourselves, whether it is \$103 billion, \$112 billion or \$107 billion—and you can find all of those figures, being the expenditures for the coming year, in our estimates for 1986-87—the question arises as to what these deficits will cost us. Again, we only have estimates, but in these same papers the Minister of Finance points out that the total public debt charges, essentially to cover the cost of carrying the deficit for 1984-85, was in the area of \$22.5 billion. At the end of 1985-86 it is estimated that those carrying charges will be in excess of \$25.6 billion, and are estimated by the end of 1986-87 to be in the neighbourhood of \$27.4 billion. If you compute the interest rate, it reinforces that the deficit is certainly in excess of \$200 billion.

What has changed in the past few years that is somewhat disturbing to me, because I tend to come from the school that says deficits, if they can be used to provide jobs and constructive activity within the country, are not a burden on the country so long as they are financed from within the country, is that we have moved recently to more reliance on foreign debt.

At the end of the 1984-85 fiscal year we were paying interest on debt payable in foreign currency, that is foreign debt, of just over \$600 million. The accounts say \$608 million was paid out to carry our foreign debt requirements at the end of the 1984-85 fiscal year. The estimate for the end of the 1986-87 fiscal year is more than twice that. The estimate of what we will be paying is \$1.380 billion to pay off our foreign debt.

We are putting ourselves at the mercy of foreign borrowings and will have very little negotiating room out of that. I think when we look at the deficit with a common sense approach, one that my Party has followed when in provincial Governments—I assume it would be a policy we would follow if we were in federal Government—we must look at the expenditures that are required, and decide how to raise the money for those requirements. As it is, we have gone the last couple of fiscal years spending about 30 per cent to 35 per cent more

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money than we intended to collect. We have been spending about \$100 billion and we have been running deficits in excess of \$30 billion, which means that we have only been collecting a bit over \$60 billion for expenditures in excess of \$100 billion. That does not make sense and has to be addressed.

If we look at the method we use for raising those revenues any observer would agree that we do not do it very equitably. We have in this country a society where the lowest income people are carrying a far higher and heavier burden than are the higher income people. We ask them to bear a lesser per capita part of the debt. We do not have a system which permits them to have equal access to the country's resources. For instance, the lowest paid 20 per cent of our population works with only about 4 per cent of this country's assets. While 20 per cent of our population can manage on 4 per cent of the country's assets, the 20 per cent of our population that has the highest income has the use of 43 per cent of the country's assets. If one were to make a decision on a straight business proposition, it would seem that the low income 20 per cent were extremely efficient while the 20 per cent high income earners were profligate spenders who did not know how to manage the economy. Yet the tax system encourages upper income earners with reductions in their tax bite, while increasing the tax load on lower income Canadians.

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The Budget estimates that individual taxes will increase three times faster than corporate taxes by the year 1986 and will have increased to ten times as much by 1990. The Government is taxing the poor without touching the rich and this is leading to greater unfairness. We believe this Bill needs study and that is why we suggest a six-month hoist.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to make submissions concerning Bill C-99 through which the Government is requesting the authority to borrow some \$22 billion in order to bring into effect certain measures and other Government expenditures related to the Budget. I want to take this opportunity to express my views on the Budget which my Leader referred to as regressive, unfair and harsh. Many Canadians agree with the Opposition that the Budget is unjust and unfair. If one examines this Budget and the first Budget of the Minister of Finance (Mr. Wilson), the evidence is overwhelming that both are unfair.

It is quite obvious that the intent of the combination of the two Budgets is to reduce the deficit. There are not too many Members in the House of Commons who would argue against reducing the deficit, which is in excess of \$30 billion a year, but there is disagreement with respect to the method by which the Government should reduce that deficit.

The Conservative Government believes that the deficit should be reduced on the backs of the disadvantaged in our society and has already shown that it is quite prepared to do this through measures that are unjust and inequitable and which attack the disadvantaged. While it is prepared to give concessions and opportunities to its rich friends on Bay Street,