

*Borrowing Authority*

budget will be forthcoming? No, I think surely that has to be discounted. Is he afraid, then, that the bad news of his budget will send the economy into another tailspin? No, I think that has to be discounted as well because this resilient nation, having withstood so many shocks and blows from the present Government, can show once again it can absorb whatever even this Government has to offer.

What is the reason the Minister of Finance seeks to borrow another \$19 billion? What is the reason he fails to put it in the context of a budget or fails to explain why he wants Parliament to offer him this blank cheque? The only reason, Sir, I can see why the Government procrastinates and dawdles and delays with regard to a budget is that it simply cannot decide on which way it wants to go. Stimulate the economy and increase the deficit say one half of the Cabinet members, and the other half say no, restrain expenditures and increase taxes.

● (1730)

The see-saw battle goes on. The Finance Minister meanwhile alters his forecast of a budgetary deficit daily. It mounts and mounts. The country, unfortunately, is allowed to drift into an ocean of fiscal uncertainty. How sad for the country, but how very predictable of this Liberal Government.

Eventually we will have a budget. Eventually we will know why the Government needs an additional \$19 billion. Eventually we will learn which faction in the Cabinet has won the fiscal battle. Eventually the Government will learn it can no longer duck its responsibilities. In the meantime this borrowing Bill is a catalyst for the fears and concerns that animate the business community from one end of this country to the other. To many, this Bill is the signal of a return to higher taxes. They see it as more Government rapaciousness in the capital markets which means a scarcity of capital for the private sector. And that in turn will lead to an upward movement in interest rates. That is what causes fear.

Nothing strikes greater terror in the hearts of business people, farmers, home owners, and job holders than that this Government will once again resort to its interest rate policy which drove so many Canadians and so many businesses into bankruptcy. And so people are asking: is this what this borrowing Bill signals? Is this the overture to the budget objectives? Obviously Governments need money to pay for legitimate expenditures for social programs, job creation, research and development and other legitimate items.

But how frequently, Mr. Speaker, have we seen this Government almost deliberately exacerbate, drive up, those very expenditures by putting into place ill-conceived and ill-timed economic policies without any consideration of what the social costs will be? The November, 1980 budget with its infamous National Energy Program wreaked havoc on the petroleum industry in this country and threw thousands of people out of work. This occurred not only in the oil producing regions but, as well, in the manufacturing and secondary industry sectors, sectors that would have produced the equipment for megaprojects and small exploration projects alike.

When the National Energy Program was being dreamed up, did anyone on the Government benches consider for a moment that its NEP could conceivably throw thousands of Canadians out of jobs, that it could cause Unemployment Insurance payments to soar, that it would result in lost homes and lost hopes? Did anyone give that a moment's thought?

When the November, 1981 tax reform budget was brought before the House, did the then Minister of Finance pause to consider the turmoil and uncertainty he would be creating in the private sector, the damage he would be doing to the motor of this country, the private sector that truly generates the growth rate of Canada? Did he even pause to contemplate that those ill-considered measures would bring plans for expansion and development, whether in a corner grocery store or in a major industrial plant, to a crashing halt? In that climate of uncertainty and fear, interest rates soared, and record numbers of businesses and individuals were driven into bankruptcy. And, more important, countless others were driven out of jobs.

In the human debris and fall-out from these two ill-conceived budgets lies the tragic proof that this Government conceives its economic policies in total isolation from any consideration of the social costs that may ensue.

Thousands of Canadians have paid for these mistakes in lost jobs, lost homes and lost individual and family security. Unemployment Insurance and provincial welfare programs have been strained to the breaking point. Social agencies that deal with abused children, alcoholism and marriage breakdown report significant increases in these problems. These widespread social problems are the direct result of the wrong economic policies applied at the wrong time.

**Mr. Breau:** Not so.

**Miss MacDonald:** I ask the Hon. Member to take a look at it so he can see that that is what is resulting. If he says it is not happening in his area of New Brunswick, I can tell him I will go there and find out that many people are out of work as a result of these policies.

Misguided economic policies have produced a crisis for Canada's social programs. When the cost of these programs soars, as indeed it has, the Government comes before the House seeking greater borrowing authority, as it is doing now. This situation should never have happened. How much better, Sir, how much more humane, how much more sensible if the Government had seen the error of its way before it threw the country's economy into a tailspin at its recent attempts at budget making.

We pray that in the next budget it does not follow the same route.

**Mr. Breau:** Mr. Speaker, would the Hon. Member accept a question, if there is time left?

**Miss MacDonald:** Certainly, Mr. Speaker.

**Mr. Breau:** Does the Hon. Member realize that when she says and others say to people that the causes of alcoholism,