

*Borrowing Authority*

When we stop and examine history, it is clear that it is the history of Government by the Liberal Party of Canada which has taken us to the situation of today. When the Hon. Member says that the problem is not structural, he is wrong. It is structural. It has been built in by the Liberal Party of Canada.

The election of 1972 was the beginning of that structural problem. In relative terms those were good times in Canada. The electorate of Canada sent a minority Government to the House, and it was a Liberal minority Government. The Liberals jumped in to bed with NDP Members. The Prime Minister (Mr. Trudeau) appointed as Finance Minister a man named John Turner. In those very good times the Liberal Party of Canada, along with the New Democratic Party of Canada, decided to start borrowing money, decided to start bribing the voters of Canada with borrowed dollars. That is when it began. There were huge expansions of programs and budgetary increases under John Turner of 30 per cent a year for the two years he was Finance Minister. Those budgets were supported by the NDP and the Liberal Party. We did not need to expand Government services in that period of time for any sane, common-sense purpose, but they were expanded for political purposes, for political gain and for the purpose of bribing Canadian voters.

What the Liberal Party and the NDP said to Canadian voters in that period of our history was: "We will give you more services, we will give you more goodies, and we will not raise your taxes". This seems like magic until we look behind it and see that they were giving away those things with borrowed dollars. Canadians can fool themselves for some limited period of time that life is better. They can go down to the bank and, if they have any assets, they can borrow money and spend it. They can eat supper out every night, take marvellous vacations and spend beyond what they earn. But some day the bailiff will show up at the door, their possessions will be repossessed, they will be declared bankrupt and they will be in an awful mess if they do that for any length of time.

That is the history of what brings us to the House at this time. It was the minority period of 1972-73 when the Liberal Party and the New Democratic Party acted together and borrowed money. We did not need to expand programs we did not need, and this has caused the structural problem of today. We lived through the five-year period from 1974 to 1979 when the Liberals were the majority, and they continued to expand programs but not expand taxes. They continued to expand the deficit in good times.

Here we are today in bad times when we really need those dollars to provide assistance to people in trouble. Instead, where is the money going? An absolutely huge portion of it is going to pay the interest on the public debt. It is not available for UIC claimants, small businesses or farmers. It is going to pay the interest on the money which the Liberal Government borrowed when we did not need to borrow. That is the reason for the difficulty we are in today.

To compound that error, we had a short-lived Government, the government of the Right Hon. Member for Yellowhead (Mr. Clark). What was its record? On the job-creation side,

not only did it create over 30,000 jobs per month on average in its nine-month period of time, but it put Canadians to work and turned them into taxpayers. Those jobs were not created in the public tax-spending sector of the economy. For the first time in a decade jobs were being created in the goods-producing sector of the economy. If we chart labour market statistics in the country, it was the only time in a decade when jobs in the productive sector of the economy were growing faster than jobs in the service sector, and it was the only time when jobs in the public sector were declining slightly. Right there is the prescription for economic health in Canada.

What did the Conservative Government find when it laid out a budgetary plan, not for a single year but for five years ahead to get us out of the borrowing cycle and to economic health and continued job creation? We found that the Liberal Party and the New Democratic Party together had four more Members in the House of Commons than the Conservative Party of Canada. They stood in the Chamber on the first confidence day on that budget and turned the Government out of office. Then they ran election campaigns claiming that 18 cents per gallon of gasoline was too much, and we stand here three years later knowing that prices have increased well over \$1.

This reminds us of the 1974 campaign promise that 90 days of wage and income controls were too much, and Canadians got three years. Three years when 90 days was too much; over \$1 when 18 cents was too much. Those kinds of election promises are very consistent with the kind of moral attitude that would borrow money in good times, with a minority Government from 1972 to 1974, in an attempt to bribe voters with their own money. I guess it is a sad commentary on the Canadian people that it has succeeded and that perhaps its success has led us to a kind of moral turpitude which is problematic for all of us in the House.

If we were the Government tomorrow, could we stop the borrowing requirement of the Government? The answer is no. It is in there structurally and it is a long, slow, difficult process to turn it around. But if we were to demonstrate a little common sense and a great deal of determination to turn it around and to move the country back toward a balanced budget, then out there in the land people who are aggressive would take some hope, and with that hope would stick out their personal necks a little further and start to create jobs and employ Canadians. If that psychological turn-around were to occur, we would be creating more taxpayers and fewer taxspenders. If we were to create more taxpayers and fewer taxspenders, we would be well launched on a path toward deficit reduction.

If I were standing in the House today with a full budget that laid out the spending plans of Government, and if the cornerstone of that budget was to borrow money to create infrastructure or permanent, lasting things in the country, then I would be able to look at the deficit in a somewhat different light. Instead, I cannot think of a single example where this Government has tried to cut down on waste, but instead is forcing us