

### *Borrowing Authority*

What I am saying to you, Mr. Speaker, is that if we are going to have a recovery in the automobile industry in Canada, we cannot allow it to be dictated by decisions in Washington. We must make decisions in Canada for Canadians, and we must understand that the automobile industry has a stake in this country and an obligation to provide the kind of economic stimulus which its stake obviously should be able to provide.

There is a substantial market in this country, large by any world measure. It is being eroded by a continual lack of foresight on the part of the auto industry. I suggest it is time this House of Commons demanded of the government that it set before us a joint plan for action, a plan which involves both the industry itself and those of us who have an interest in the redevelopment of that industry for the future use of Canadians, both in terms of jobs and in terms of maximizing the manufacturing capacity which will, in the future, create the kind of stability we must have.

Therefore, Mr. Speaker, when I said to you earlier that wages had risen, but not as much as the cost of living, and therefore the number of available dollars for purchasing consumer products, such as automobiles, had fallen, and that bank interest rates, bankruptcy and higher number of dollars out for loans were undermining the economy, I was suggesting to the minister it is time we stopped dealing with these things in isolation. We cannot deal with them in isolation any longer.

You cannot talk about borrowing authority as if it were not tied into anything else. You cannot talk about Chrysler as if it were not tied to the remainder of the automobile industry. You cannot talk about Massey-Ferguson without understanding that the farming community's level of bankruptcies is at an all time high, that the cash flow of that community is down, and that they cannot purchase the products that could be manufactured, even if Massey-Ferguson were willing. But, more important, if the government is going to become a source of revenue for private industry, as it now appears it will be, then, for heaven's sake, place before us the over-all strategy necessary to make enlightened decisions about where this government is leading us, about where this government is hoping to go, and at least put in place the checks and balances, the methods which can be used to evaluate the performance of these companies which stand with their trunks in the trough, sucking out the tax dollars of people who can ill afford to pay them in the first place.

I say to you, Mr. Speaker, I find it a most frustrating experience to have to deal with a government which does not seem to understand that there is a relationship between what you can spend, what you can borrow, what you can raise, and what people can afford to pay. I say it is past the time for the government to show us and the people of Canada clearly what it is it intends to do by way of the development of an over-all economic and industrial policy which will assist the recovery in the short run, while at the same time laying the ground work for the kind of stability and job opportunities we all know should be here in a country with such fabulous wealth, in a country which has by far the most in terms of natural and human resources. There can be no excuse for the kind of

mismismanagement that has been allowed to occur by this government over a long period of time. There certainly can be no excuse for failing to come to grips with it now that it is so evident.

● (2050)

I therefore suggest it is wrong to expect that we should, with a shrug and a wink, pass on to the government the authority to borrow again before we can see clearly how it expects to spend and to repay what it already owes.

**Hon. J. Robert Howie (York-Sunbury):** Mr. Speaker, the bill before us contains only two clauses. Yes, that is all it takes to authorize the government to borrow \$14 billion for the fiscal year 1981-82. The bill seeks explicit authorization for the government to borrow in foreign currency as well as in a Canadian dollar. The amount covers the projected budgetary and non-budgetary cash requirements tabled in the October 28, 1980 budget, \$10.98 billion, excluding foreign exchange transactions. It also requests that all borrowing authority conferred by the bill which remains unused shall expire March 31, 1982, except for unused authority under \$3 billion.

The budget's forecast financial requirements of nearly \$11 billion are exceeded by the request for \$14 billion. In other words, the government has produced a confusing, conflicting budget which will spend about \$14 billion more than it will take in. That is an increase of \$3.9 billion over what the Crosbie budget projected as a deficit. In fact, the budget will cost \$2,730 for every man, woman and child in the nation.

It would be much easier to support this bill if the deficit were in the form of an investment in infrastructure or projects which would build the areas of this country that suffer from regional disparity. They would then incur the great dividend of being able to help themselves.

The Atlantic provinces now receive one-half of their revenue from Canada, and that is a deplorable situation which cannot continue. This budget deficit, however, does very little to help solve that problem and thus reduce the need for continuing and increasing assistance to the have-not provinces.

One of the aspects of expenditure, the legacy of budgets which continually weaken our dollar, erode our personal savings and drive investment away, is that now nearly one dollar out of every four dollars goes toward paying off the national debt. I do not begrudge one cent spent on regional development because I realize that this is a giant stride toward reducing transfer payments and social justice payments to assist Canadians who, through no fault of their own, find themselves unemployment or underemployed.

But I believe there are some very real areas where savings could be made. After a series of order paper questions I have developed the fact that in general almost every department of government has seconded people from the Department of Justice to add to their growing empires and use as resident legal talent. In addition, almost every department of government has a highly recognizable public relations department. Let me suggest to the minister and to the President of the