

Borrowing Authority Act

Bell Telephone may be slowed down for a year in its efforts to raise the price of telephone services but, by hook or by crook, it will get what it wants. Before there is any talk of wage limitations, we would want to see the promises, made in the past by certain Governments with regard to price limitations, become a reality.

Although the Hon. Member did not say so, possibly what he has in mind is the difference in wage levels in Canada and Guatemala. If we had a program in Canada which was addressed to meeting the needs of Canadian people, I would certainly favour using a much larger share of our Gross National Product to help countries such as Guatemala to recover from the economic ruin into which European conquerors have led them for the last four centuries. If the Hon. Member is suggesting that we should use more than the one-half of 1 per cent which we presently do to help those countries which we have wronged in the past, I fully agree with him.

Mr. Edwards: Mr. Speaker, does the Hon. Member endorse the call of the Leader of the New Democratic Party in the Province of Alberta for a reduction in the proposed deficit of that province?

Mr. Heap: Mr. Speaker, I cannot comment on the Hon. Member's statement because I have not read the statement of the New Democratic Leader in Alberta and do not know the context in which he made it. I do not believe that either increasing or decreasing the deficit has any universal or absolute meaning. I find that Hon. Members opposite and Hon. Members in the Liberal Party are quite happy to increase the deficit to benefit their friends and quite happy to invoke deficit reductions with regard to unemployment insurance payments for working people. I would like to know the context in which the Leader of the New Democratic Party in Alberta made his statement regarding the deficit.

Mr. Roland de Corneille (Eglinton—Lawrence): Mr. Speaker, I will address my remarks in debate today to Bill C-99. Clause 2 of the Bill brings to our attention the fact that the purpose of the Bill is to authorize the borrowing of \$22.6 billion. Through the three short paragraphs in the Bill we are being asked to give the Government the authority to borrow that amount of money. Clause 2 says in part:

— as may be required for Public Works and general purposes.

I would like to address my first remarks to the amount of money which the Government is asking to be allowed to borrow. One must ask whether these figures are well calculated. The Government projections, as given by the Minister of Finance (Mr. Wilson) in the Budget and elsewhere, suggest that the price of oil is calculated at \$22.50 per barrel. For every \$1 drop in the price of oil it is estimated that the Government loses \$110 million in revenues. Of course, that is not an exact figure, but an approximation which gives us a mark by which to assess the impact of the declining value of oil in the international market. If this is the case, and we can see that presently the spot market for oil has been ranging over the last week or so somewhere between \$8 and \$13 a barrel, then

we can see that this assessment of \$22.50 a barrel is not realistic. That suggests that the revenue estimates are also not realistic. In short, with present prices, the deficit would be \$1 billion higher than anticipated. That suggests the Government will be coming back asking for more money to borrow against the future.

● (1600)

The second point I would like to talk about concerns investment intentions in this country. The Minister of Finance in his *Budget Papers* foresees a 7 per cent increase over last year. suggests it will be a 2.5 per cent increase. The difference is some 4.5 per cent. If the difference is only, say, 2.5 per cent, that will have a considerable impact on the growth of the economy. We are told that a decrease of 1 per cent in economic growth will result in a deficit increase of \$1 billion. It is not hard to project that if investment intentions are somewhere between those figures and not nearly as optimistic as those of the Minister of Finance, it could add still another \$1 billion to our deficit which the Minister of Finance has not anticipated.

While I will not go beyond a third factor, there are certainly many other factors which financial analysts and specialists have brought to our attention. However, the third factor is that of interest rate projections. The Minister of Finance projects interest rates of 9.5 per cent in the Budget. Apparently the Conference Board does not quite go along with that. They believe it is going to be higher and suggest there is, again, another \$1 billion to be added to the deficit. While the public has been lulled to sleep or brought to a state of euphoria in thinking that the deficit will be brought down, perhaps the Government should re-examine its figures on the basis of those three factors alone, if not the others, be honest with us and tell us it is going to be back for more money later. That is just the light commentary. I am sure this has been explored in committee very thoroughly and repeatedly. This matter has been looked at in the media as well as in the studies I have referred to.

I would now like to turn to the second part of this phrase in Clause 2 of Bill C-99. It asks for \$22.6 billion as may be required for public works and general purposes. It is that part dealing with public works and general purposes that concerns me greatly. What is this money being used for? How is it being spent? What is the vision of the role the Government of Canada is to play on behalf of the people of Canada?

One thing we can say without contradiction is that the spirit of the Tory Conservative Government is certainly not that of the Statue of Liberty. Enshrined on the statue's base is the call to send the weak, the sick, the needy from around the world. People from all over the world were called upon to come to the U.S. and populate it, to make it a great nation. It would be a nation made up of the poor, the weak and the ragtags, those who were rejected by the rest of the world, those who escaped fighting wars as cannon-fodder for princes, those who fled from oppression in the Old World. That was the idealism of the pioneers who established this part of the world. That