

Borrowing Authority

ridiculous to cite that figure. I ask the Hon. Member who has just spoken if he does not agree with me.

Mr. Sobeski: The Hon. Members are playing games with numbers.

Some Hon. Members: Oh, oh!

Mr. Sobeski: I was quoting Budgets from 1968-70. The bottom line is that 9.9 per cent growth is the first time in 15 years the debt has been below that percentage. The citizens and taxpayers of Canada understand that currently 31 cents of every tax dollar is used to pay interest on the debt. If the Government does not turn the annual interest problems around, that number will increase from 31 cents to 40 cents to 50 cents. This will result in the Government continuing to raise taxes. We will not be in a position to offer new programs. We will be taxing the taxpayers to pay interest.

• (1250)

It was quite clear that is what happened in this last Budget. Suddenly we are very vulnerable to the amount of the debt. The Budget that has been presented to the House indicates that in two years we will have turned the corner. In four years the annual deficit will be down to \$15 billion, and then if we raise taxes we will be in a better position as a country to use those taxes for the programs that all Canadians want.

Mr. Wilson (Swift Current—Maple Creek—Assiniboia): Madam Speaker, I would like to congratulate the Member for Cambridge (Mr. Sobeski) on a very useful and instructive contribution to the debate this morning. I think it is important to point out in passing that during the past four years figures indicate that in fact there are 1,500,000 more Canadians working today than was the case back in 1984.

I think it is instructive also to note the composition of the national debt and what has happened in regard to the deficit over the past four or five years. 1984-85 was the last budget year of the previous Liberal government. The deficit was \$38 billion. Over half of that deficit figure was government program over expenditures.

The fact is that the Minister of Finance (Mr. Wilson) and the present Government has over the past four years worked that deficit into a position where the Government's expenditures today are in a balanced position, in the sense that current programs are financed out of tax revenue. The entire deficit for the past year relates to interest that was built up under those Liberal years.

I think it is important to point out that what we are spending money on today through the deficit is interest on that past Liberal debt entirely, not a bunch of nonsense like scientific research tax credits, Katimaviks, Canadairs and de Havillands and all of that kind of waste that went on during the past.

I would ask the Hon. Member, are these Members opposite not being a little bit hypocritical in suggesting that there have been massive increases in Government expenditures which are the root of this deficit? Is it not a fact that the root of the deficit today is entirely the mis-government and overspending of the previous Liberal Government?

Mr. Sobeski: I would like to thank the Member for Swift Current—Maple Creek—Assiniboia (Mr. Wilson). I would like to say that as a new Member sitting on the Finance Committee it is indeed a pleasure to be part of that committee, inheriting the fine legacy of this gentleman and other people who have made the Finance Committee such a good committee in the past.

I think what the Member is referring to is that in my previous comments we talked about Government saying in 1968, 1970, 1974 and 1978 that we all recognized the problems that would be created unless the debt was brought under control. I know the difference is that this Government not only recognized it in 1984 but rather than just engaging in rhetoric and forgetting about an increase in spending, we are doing something about it. That is the difference between what we have heard over the past 20 years and what this Government is doing today.

Mr. Pickard: Madam Speaker, I would like to just bring forward the question of responsibility in financial spending. I notice, as my hon. friend has pointed out, that he considers all the woes that our present Budget has as Liberal legacy.