

He went on to say:

We cannot reasonably escape from these problems by "monetizing" the Treasury debt through excessive expansion of bank credit and the money supply. The federal reserve could, in concept, take an approach which inflated all the numbers. But it cannot increase savings and reduce the savings-investment imbalance by undermining confidence. What must be done is to deal with the source of the problem—the excessive deficits. While it is already late to make significant changes for fiscal year 1984, action now affecting fiscal 1985 and later years can only work in the direction of moderating potential pressures, if sufficiently forceful. The market could then well anticipate the time the actions become effective. At the least, the risks of eroding confidence and new market pressures should be relieved. . . . The large deficits now being projected can be self-perpetuating.

Mr. Volcker went on to say that the credit crunch, the tight money period, and the recession we had did much to eliminate inflation. All that will be lost if we continue trying to borrow and to print ourselves rich. We cannot run this country on a VISA card any more than you and I, Mr. Speaker, can run our families' household budgets using a VISA card to buy the groceries.

People have asked what we are going to do. First of all, we cannot continue any longer having 31 per cent of the expenditures of the Government financed with borrowed money. We have to consider where we are, where we have been and what our spending priorities are. The Budget provides for a 22 per cent increase in moneys going to Crown corporations.

Two days ago in the Supplementary Estimates we got the next tab for Canadair and de Havilland. By the end of this fiscal year, through the past 15 months, we will have paid to those Crown corporations \$1.25 billion. We have not come to grips with the issue yet. In Question Period today the Prime Minister said we will have to spend more money. That is waste. There is something wrong. We cannot continue this way. We do not have the savings in the country to continue this way. We cannot operate with that kind of expenditure. We cannot operate with expenditures which contemplate giving the Post Office \$1 billion over a two year period. We cannot operate with the Canadian Broadcasting Corporation becoming larger and larger. It now costs \$900 million a year. I doubt if we can continue to pay people to insulate their homes or change their furnaces. I do not believe I should receive a grant to buy a heat pump because it may save me some oil and put some money in my pocket, whether or not that grant is taxable. I do not believe I should tell my constituents, or you, Mr. Minister, should tell your constituents that the country should go into the credit markets of the world and create massive deficits to buy me a heat pump. That is what we have in legislation and that is unconscionable.

I believe that without interfering with social programs at all we could cut \$5 billion from our Budget deficit. I received a letter from a former civil servant. He says:

I am not alone in stating this inasmuch as 35 years of service culminating by promotion to upper levels of management has provided ample opportunities to observe waste, sloth and over staffing especially abroad at Embassies and High Commissions to say nothing at this time of UN offices where we are represented.

• (1600)

The Government says that there is nothing that it can do. That is unacceptable to me, my children and my grandchild.

Borrowing Authority Act

We have proposed that the House of Commons establish a committee of the House to set priorities for the expenditures of Government. We believe that the social programs, such as pensions, family allowances, the child tax credits, the health care provisions and the educational provisions rank first. While there are many other expenditures which may be necessary, surely there is a time for prioritizing. Surely there is a time to ask if we can afford the amount that is being spent on art, for example, when the Government must pay interest rates which exist today. Can we really afford a broadcasting system such as we have when the Government is paying the bank what it is currently paying? Can we really afford to go to the markets every week to auction Treasury bills at \$2 billion each to pay for the losses in Devco, Canadair or de Havilland?

We are elected to make decisions. The present system prevents Members of Parliament from making decisions with respect to prioritizing the expenditures of Government. There is no mechanism for deciding whether matters which come before the Broadcasting Committee take higher priority than the expenditures that are proposed in the Department of Regional and Industrial Expansion. There is simply an alphabet soup of programs for which there is no priority. The existing programs seem to expand every year. There is no zero based budgeting. No attention is being paid to the future or to serious current planning and budget controls.

Our Party has made a pledge to this country. Let me quote from a speech made by my Leader to the Young President's Organization at the National Club in Toronto on February 23. He said:

We need to take a hard look at current planning and budgetary controls.

Ask any civil servant involved in the process, and he or she will tell you that the current system, while a major improvement over its predecessor, still encourages padding of stated requirements and unnecessary spending to consume reserves.

One reason why the Minister has so many demands on money in the first quarter of the year is to pay bills that were incurred in the last quarter of the fiscal year. Departments scramble over themselves to spend all the money in its Estimates. Yet there is no effort made by Treasury Board, the Finance Committee or any committee of the House to control that kind of spending.

My views about whether the Government can carry on in this fashion have been expressed by others. For example, the present Secretary of State for External Affairs (Mr. MacEachen), in his previous capacity as Minister of Finance, said on June 28, 1982, as recorded at page 18883 of *Hansard*:

Some say the government should print more money. Others say it should let the deficit rip.

But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed.

His deficit program in June of 1982 was \$25.25 billion.

What has the Government done? The deficit rips, the borrowing rips and the demands get larger and larger. We are being asked to rubberstamp a borrowing Bill for \$29.5 billion. We cannot as the House of Commons in good conscience allow