

Borrowing Authority Act

butter at \$5 a pound to maintain that high-falutin' restaurant on Sussex Drive in the Pearson Building? This kind of expenditure program, if it is only butter at \$5 a pound from France, insulation, new furnaces or a host of advertising, or if it is large grants to corporations like the CBC and the Export Development Corporation, can be cut down. These expenses must be cut down.

To reduce seriously the amount of money in this Bill, to demand that this Bill be rethought, is not an unrealistic demand. We as a responsible Parliament must make that demand and we do make that demand. That is the purpose of the amendment before you, Sir.

I said the Minister was profligate. I have only to point out to you, Mr. Speaker, the Minister's own departmental spending on administration in the Ministry of Finance. That Department was budgeted to spend \$26 million in March, 1981. This year that Department will have spent on administration alone \$44.5 million. In the course of less than three fiscal years, the Minister of Finance has increased the cost of administering his own Department by 75 per cent. You call that restraint, Mr. Speaker? You call that control over spending? You call that reasonable administration? I call it maladministration, Sir. To have the Ministry of Finance propose this Bill to us today is disgraceful. On that basis alone, this Minister must be brought to task.

In past days interest rates have risen dramatically. I draw your attention to the fact that in June or July of last year this Government was able to borrow long-term money, that is on 25 and 30-year bonds, at a yield of 11.5 per cent. This week those bonds are being offered at 13.5 per cent. In other words, the cost of long-term money has risen since last summer by two full percentage points. Since February 15 interest costs on government debt have risen at least 1 per cent. If we are going to come to grips with this problem, and I point out to you, Mr. Speaker, that the increased cost of interest is at least \$1.5 million since the budget, then we must come to grips with the amount of borrowing; otherwise we will have no control over interest expense.

I note that my time is up. I ask this House to pay close attention to the amendment and demand that this Government change the Bill.

● (1120)

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is interesting to note how few members of the Government care to defend their borrowing requirement, to stand in this House and deal with it. Any time this House is faced with a borrowing Bill, it has an obligation to screen that Bill as closely as it can. Every member of this Chamber must ask themselves how much does the Bill really entitle the Government to borrow. They should ask when Government intends to borrow this money, because that has an effect. I suppose most critically they must ask why the Government needs to borrow the money and what it intends to do with it.

When reviewing these three questions, Mr. Speaker, we must examine this piece of legislation before us which indi-

cates that the Government wants to borrow \$29,555 million, or \$29.5 billion. That is not what the Government intends to spend; that is just what it intends to borrow and what it is asking this House to approve. That is such an enormous amount of money, Mr. Speaker, that it boggles the mind. To put it into perspective, it is 91 per cent of the projected savings of all Canadians. The Government wants to borrow 91 per cent of every penny saved by every Canadian.

That is nice for those who have the savings. There will probably be some competition to borrow that money and, therefore, the interest on those savings will increase, but it leaves 9 per cent for the rest of us who may want to borrow to buy a car, put a mortgage on a home, start a small business, or even to keep a small business going. When the Government takes 91 per cent of Canadian savings through borrowing and only leaves 9 per cent to the rest of Canada, what can we predict, Mr. Speaker? We can predict that interest rates will go up. The minute this Bill was laid on the Table in this House of Commons, interest rates started to go up, Mr. Speaker. If they go up far enough and fast enough, it will bring hardship to everyone on fixed incomes. It will drive businesses into bankruptcy and create increased unemployment.

It is bad enough, Mr. Speaker, that the federal Government now wants to borrow 91 per cent of Canadian savings, but we have been faced in this House over a four-year period with legislation put through by closure which provides Crown corporations with unlimited borrowing authority. So when the Government says it wants to borrow \$29.55 billion or \$29,550 million, it is talking about borrowing it wants to do straight up front. It is not talking about the additional amount which this Government has insisted Crown corporations and their boards of directors have authority to borrow.

It is not very much of a logical leap, Mr. Speaker, to see that in reality the federal Government and Crown corporations are trying to borrow all of the savings of the taxpayers of this country, leaving nothing for Canadians to borrow without going abroad. And, Mr. Speaker, when we go to the United States, Germany, Japan or England to borrow money, we get it, but all of a sudden we begin to notice in the daily newspapers that the value of the Canadian dollar is falling. A dollar is not worth a dollar. A couple of months ago it was worth 82 cents or 83 cents. Today it is worth 78 cents.

● (1125)

Then we have to look at a senior citizen on a fixed income who goes to the corner grocery store to buy a tomato. If the value of the dollar has fallen a nickel, from 83 cents to 78 cents, you can be sure that the cost of that tomato has risen, 5, 6, or maybe 10 per cent, simply because the Canadian dollar has fallen. That's the rhythm. That is the insidious nature of a government borrowing Bill.

We are looking at the largest government borrowing Bill in the history of this nation. Never has a finance minister and a government come before this Chamber to ask Members to vote to give them permission to borrow so much money. They are asking for permission at a time when there is already enor-