

*Borrowing Authority Act*

money we have to pay the lender over 13.5 per cent. In a little over five years the cumulative effect of that interest rate doubles the debt. Just divide 13.6 into 72 and you get the number of years it takes to double the debt.

● (1700)

In short, if this nation persists with the type of gang which has been running the country to date, with its irresponsible handling of our finances, we are headed for the bankruptcy world courts. This is completely inevitable. The IMF is what we call the bankruptcy world court. It is the one that calls you in. It tells you that until you sober up there are certain terms and conditions which you must live by in order to get bailout credit. That is not a nice experience for any people to have to live through.

The forerunner to this may be a questioning of our current credit rating. We have a high credit rating now but the first step will be to move it downwards. That makes it more difficult and costly to raise money. If you do not correct the outflow and arrest the demand for the borrowed funds, eventually some outside group such as the International Monetary Fund has to come in. You are a basket case and they have to bail you out.

Why did we get into this position, Mr. Speaker? Why are we in a position where an irresponsible government now feels there is nothing it can do to correct the matter? Most of the Members who were in the House from 1972 on will recall where this began. It began when we had a Minister of Finance who is sometimes referred to as "blue eyes", John Turner. He introduced the country to the concept of peacetime deficit financing. Up until 1972 we had a relatively balanced position at the federal Government level. We were even in surplus some years prior to 1972. He took that record of a relatively balanced position and plunged us into deep deficit financing to the point that when he left in 1975 the deficit was \$5.5 billion. Before he left he also indexed income taxes. However, he forgot to put the other side of the equation in place. He forgot to listen to our then Leader, Mr. Stanfield, who said that indexing of income taxes would cut off the tax dividends which they had been relying on, but would also ensure some type of restraint on the part of government. No government would responsibly bring in an indexed income tax system without having a corresponding program to keep costs under control.

By cutting off our revenue, Mr. Turner cut off the revenue that was then mounting every year, but he did not cut off the expenditure growth. From 1972 to 1975 there was a systematic putting into place of spending programs which was aided and abetted by the socialists to our left. No costing in a five-year sense was ever made of those programs. As a net result costs have soared, there is no revenue to cover them and we have the scenario which I indicated at the beginning of my speech where we are now spending \$1.50 for every \$1 of income. This means we have to borrow and ask future generations to pay for our irresponsibility in the late 1970s and 1980s.

This gang must be swept out of office. It does not matter what Leader they choose, they have all had their hand in this

mess. None of them knows how to get us out of this and it is time they are all swept out of power.

**Mr. Neil Young (Beaches):** Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-21, the Borrowing Authority Act, 1984-85. I am also pleased to have been able to second the amendment to this Bill before us which was moved by my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans). This amendment would effectively reduce the amount of money the Government is asking for from \$29.5 billion to \$18 billion. We feel that the total amount being requested by the Government is outrageous, but if it were reduced by the sum of \$11 billion it would be brought into manageable proportions at least.

In our view the Government is asking the House to buy a pig in a poke. It has given no indication of how it intends to spend this \$29.5 billion. I was particularly interested in the rather disparaging remarks made by the previous speaker, the Hon. Member for York-Peel (Mr. Stevens). He stands and complains about the spending of the Liberal Government. He uses the old saw of trying to blame the NDP for that. I would like to hear the Hon. Member for York-Peel tell us which social programs he would be prepared to cut in order to reduce government spending limits.

**Mr. Stevens:** How about your salary?

**Mr. Young:** It is all very well to blame the NDP for all that is owed in the country. If I were a millionaire like the Hon. Member for York-Peel, I might be prepared to consider salary cuts all around. However, I am not.

We would be particularly interested in having the Government come into the House and tell us specifically how it intends to spend this money. We would like to know whether it intends to spend the money for socially productive uses or whether, as the Member for Provencher (Mr. Epp) indicated, it is going to use part of that \$29.5 billion as a slush fund for the Liberal Party to re-elect some of its own Members. If the Government were to indicate that it intended to spend some of that money to alleviate the tremendous problems in the country with providing adequate, reasonable and affordable housing to the many Canadians who are in such desperate need of it, that would be acceptable.

The Social Planning Council of Metropolitan Toronto has recently released a report entitled "A New Housing Agenda for Metropolitan Toronto". In that report it is pointed out that there are some 70,000 households which already require some form of rent geared to income housing or will require it within 15 years. The report advocates an assisted housing target of some 4,500 units per year to address this need. Through CMHC in the past year the Government has actually reduced the amount of funding that would be available to municipalities to provide adequate, affordable housing. It is having a terrible effect on areas like Metropolitan Toronto and other major urban centres across the country.