

words—as the total borrowing requirement of the Government. I believe we are all aware of the very high savings rate of Canadians. We also know that most of the debt of the Government of Canada is financed in this country. Therefore, it does not lead to the kinds of problems which other countries have been experiencing with their large foreign debts.

As far as the effect on interest rates is concerned, I believe it is fair to say that there seems to be a consensus developing on the part of the economists that the economy can withstand the kind of deficit which the Government is forecasting for the coming year. Again, I would like to ask the Hon. Members, as I did in my speech, where do they suggest that substantial savings could be effected? We are not talking here about \$20 million or \$10 million in food, booze or entertainment, as was suggested by the Hon. Member for Yellowhead (Mr. Clark). With all due respect, \$10 million would not make much of a dent in this deficit. Therefore, I would ask the Hon. Member to suggest, for example, in what areas savings can be effected. When you look at the social affairs envelope, which I mentioned, which accounts for some 40 per cent of Government spending, where in that envelope would the Hon. Member suggest that cuts be made? Would it be in the Unemployment Insurance programs? Would it be in the old age pensions? Would it be in job creation programs? Even Mr. Reagan, President of the United States, said in his State of the Union address that he is coming around to seeing that the United States should spend more money on education and job training. That is something that this Government has been doing over a long period of time.

• (1540)

**Mr. Scott (Hamilton-Wentworth):** Mr. Speaker, I wonder if I could get the Parliamentary Secretary's interpretation of the statement made by the former Minister of Finance who, on May 31, 1982, at the Standing Committee on Finance, Trade and Economic Affairs, stated as follows:

I do not think it would be appropriate to ask the House for additional borrowing authority until I have laid out in some detail an update of both the economic situation and the fiscal situation.

Could the Parliamentary Secretary give his interpretation of that statement and tell us why on this side of the House we are expected to give the Government a blank cheque for \$19 billion borrowing authority, without knowing in some detail where the money is to be spent?

**Mr. Berger:** Mr. Speaker, the Hon. Member's statement is ludicrous.

**Mr. Scott (Hamilton-Wentworth):** It is not my statement.

**Mr. Berger:** He is saying that the Opposition or Parliament should not be expected to give the Government a blank cheque without knowing where the money is going.

Just a few days ago the President of the Treasury Board (Mr. Gray) tabled in the House one of the most detailed studies of Government spending ever, the Blue Book, and all the other departmental studies which go into massive detail

about the spending of individual Departments, their plans and their projections for the future. How can he say, without shame, that we are asking for a blank cheque?

He previously referred to the statement of the former Minister of Finance who said that he felt it would not be appropriate to ask for more borrowing authority without an update of the economic and fiscal situation. The current Minister of Finance presented such an update last October and is planning another one as soon as the House can deal with some of the items now before it, such as the income tax measures that we have been waiting to study for the past two years and the current borrowing authority.

I suggest that if we were to deal with these items expeditiously and with the other diversions and smokescreens they intend to bring up within the next two weeks, we may get another update of the economic situation from the Minister of Finance.

**Mr. Scott (Hamilton-Wentworth):** Mr. Speaker, I hesitate to bring the present Minister of Finance into this after what happened in the past week or ten days and to lump him with the former Minister of Finance. We have heard enough about those two gentlemen in the last few days.

How would the Parliamentary Secretary square the promise made last October by the present Minister of Finance that a new budget would be brought in before more borrowing authority was sought?

On October 27, 1982, as reported in *Hansard*, he told the House:

In the budget I intend to present early in 1983, I will review again the fiscal situation for the current fiscal year, set out estimates for 1983-84 and future fiscal years, and then seek additional borrowing authority as required.

I should like the Parliamentary Secretary to explain that statement. Now you are asking for the money before—

**Mr. Deputy Speaker:** Order, please. I would call to the attention of the Hon. Member for Hamilton-Wentworth (Mr. Scott) that the time for questions and answers has expired. The Chair is in a most difficult position when we are pressed for time and a number of Members are seeking to speak. I suspect it is not easy to answer that question.

**Mr. Scott (Hamilton-Wentworth):** It is impossible, Mr. Speaker.

**Mr. Deputy Speaker:** The Hon. Parliamentary Secretary—

**Mr. Berger:** Just briefly, Mr. Speaker—

**An Hon. Member:** No.

**Mr. Deputy Speaker:** There is not unanimous consent for the Hon. Parliamentary Secretary to speak. The Hon. Member for Capilano (Mr. Huntington).

**Hon. Ron Huntington (Capilano):** Mr. Speaker, I think my remarks will be a contrast to those of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who suggested that we should not focus on the deficit. He suggested that that is not the way out of the present dilemma.