

*The Budget—Mr. Blenkarn*

**Mr. Blenkarn:** It is a socialist philosophy, a bureaucratic philosophy, the philosophy supported by Hon. Members like the Hon. Member for Ottawa Centre.

**Mr. Evans:** That is not true and you know it.

**Mr. Blenkarn:** The Government does not believe in the enterprise system. The Government believes in the direction of tax money, where it can put it. In the total term, there is no advantage in this budget to employment, to job creation or anything else. The Government has decided that it can best direct the economy and that it can do it better than the ordinary citizen who works, saves and creates. It has decided that it will take \$5.72 billion out of the economy, maybe put \$4.8 into the economy, keep the rest in its pocket and then wonder about the pocket.

When one considers what it forecast in deficits, it becomes unbelievable. When the Government took office, the statement for March 31, 1980 indicated a net Government debt of \$68.5 billion. By March 31, at the end of this current fiscal year, the net debt of the Government is forecast to be \$146.8 billion. In other words, during the life of this Parliament so far, the Government has come very close to doubling the net national debt. I say "net national debt" because it has nothing to do with the monstrous expenditures, the massive losses, which have taken place in Crown corporations. It has nothing to do with the guarantees which the Government has so freely given to the Export Development Corporation, to Canadair, to de Havilland, to people in other countries around the world, guarantees which the Auditor General himself has said should be treated as liabilities of the Government of Canada and part of our net debt.

The fact is that when the Government of Canada spends \$3, it borrows or creates \$1 in deficit. Indeed, this year it is forecast that for every \$3 spent by the Government, more than \$1 will be either borrowed or put on the cuff against future pension obligations or something of that nature. The Government cannot go on in this way. We all know that there is really no free lunch. However, the concept presented by our \$200 million Minister of Finance is that there must somehow be a free lunch, that the Government can somehow spend \$3 for every \$2 it takes in taxes. That philosophy cannot continue to exist.

At the present time the Government is spending nearly one-third of the tax dollars it takes in just to cover interest on the debt. That situation does not improve despite massively overoptimistic projections for growth for the country. Let me refer to those massive overestimates of growth for a moment. The Government has suggested that this year there will be a growth of 2.3 per cent in real GNP improvement. I hope it is right, but where is the evidence to show such growth in GNP in real terms? Then it somehow goes on to say that in the year 1984 there will be a 5.2 per cent increase in real GNP. This country has not had 5 per cent growth since the 1950s, yet the Liberals say that somehow we are going to have this kind of growth in 1984.

● (1150)

The Government goes on to 1985, 1986 and 1987 forecasting growth of 4.4 per cent. I hope the Government is right. But these growth projections are so unrealistically high as to cause one to doubt every single figure in the budget presentation made the other night. They are growth projection figures beyond what we accomplished in any group of years during the 1960s or 1970s. To suggest that we are going to have, coming out of this depression almost like a rocket being shot from a missile launcher, the growth projections which the Liberals have suggested is, in my view, overly optimistic. I hope very much that the Liberals are right. But I say to you, Mr. Speaker, and to the country that these projections are not realistic. They are likely to create, and have created to people looking at the budget at first glance, some optimistic feelings, unfortunately overoptimistic.

If you compare that growth projection to what the Government says are its projections in terms of deficit, you find not only are we going to have, in accordance with the Government's projections, massive growth in economic activity, but also that that growth is not going to be reflected in a reduction of the deficit. The Liberals say that even with this massive, and I say unrealistic, growth projection, our deficit will not come below \$25 billion in the foreseeable future. In other words, as far as the eye can see this Government will continue to go to the country to borrow and borrow and borrow, notwithstanding the fact that if the Government's projections of growth are correct we should be in boom times.

There is something radically wrong with a Government that on the one hand says we are going to have boom times, tremendous growth, 5 per cent, 4.4 per cent year after year after year, yet our borrowing will remain in the range of twenty billions of dollars. Our deficit will always be over \$25 billion. There is something wrong, something structurally wrong, with what we are doing in the management of this country.

If there is any criticism, the greatest criticism of this budget is that it does nothing to attack the basic structural problems facing the country. We cannot go on forever thinking that somehow there is a free lunch out there, that no matter how good things are or how bad things are, all we need to do is borrow some more against the future. We know in running our households that that does not work. We know from our own personal experience that that does not work. There is nothing magic about it. Somewhere along the line you go broke because you cannot for ever continue to have financial requirements, even on this Government's projections of 6.9 per cent, 5.9 per cent, 4.9 per cent and so on of the GNP, borrowed against the future.

If we have the growth which the Government forecasts, we are going to have to expect that a great deal of the savings of Canadians will be poured into the business sector. Yet where are the savings to finance business growth and Government deficit growth? There are not those savings available, Mr. Speaker. You cannot have it both ways. You cannot have tax credits and so on for investment in equity—and we need it—and at the same time expect there to be money around to