

### *Time Allocation*

Government's inability to control its expenditures? They should look at the facts.

Since 1975, the federal Government has been committed to keeping the trend growth of Government expenditures within the trend growth of the GNP. However, this commitment does not mean that every year the Government must intervene to the same extent. During the downward phase of a cycle, it is reassuring to be able to rely on greater support by the Government, while during the upward phase, the Government can and must withdraw gradually in favour of the private sector. That is exactly what this Government intends to do, and what has helped it to achieve its spending objectives.

During the 1975-76 fiscal year, total Government spending was 22.9 per cent of GNP; in 1980-81, it had dropped to 19.1 per cent of GNP. During the present fiscal year, because of a general slow-down in all western economies, the Canadian Government's spending should be allowed to rise to 21.6 per cent of the GNP trend, a level that is still substantially lower than that for 1975-76. It is expected that this percentage will keep on dropping until 1987-88.

Mr. Speaker, how can Opposition Members possibly conclude that the Government has been inconsistent in financial matters? I repeat, they should look at the facts. In times of cyclical weakness, an increase in the deficit substantially alleviates the impact of a general drop in economic activity and ensures that the problems facing individuals during a recession are not excessive. Any attempt to nullify the automatic impact of the recession on the Budget balance would merely aggravate the recession itself.

**The Acting Speaker (Mr. Guilbault):** Order, please. I am told that apparently, the Hon. Member is reading a prepared text, which is not customary in the House. The Hon. Member may occasionally consult notes or he may quote from a document, provided he indicates his source, but he may not read a prepared text.

**Mr. Garant:** Mr. Speaker, during an economic slow-down, it is up to the Government to take discretionary measures to reduce taxes and increase expenditures in order to sustain the level of economic activity. Between 1975 and 1978, the federal deficit was substantially increased in order to stimulate the economy. From 1979 to 1981, however, there was a continuous drop in the deficit. If there had not been a recession in 1982, Mr. Speaker, the deficit would have continued to drop.

The fact that the deficit contributes to cushion the cyclical fluctuations of the economy does not fly in the face of our efforts to achieve a deficit whose trend goes a long way indeed towards meeting long-term economic requirements. And that, Mr. Speaker, is what the short-sighted views of Members opposite prevent them from understanding.

And to top it off, they argue that the deficit of the Canadian Government fuels inflation and leads to soaring interest rates.

Here again the facts belie those statements. Mr. Speaker, the evolution of the situation since 1981 shows that there is no direct relation between deficits and inflation, nor between deficits and interest rates. As a matter of fact, the recent increase in the federal deficit came at the same time as a considerable decline in inflation. Besides, despite the higher federal deficit, interest rates are still a long way from the pre-recession peaks.

Mr. Speaker, all that goes to prove that deficits can be an effective and appropriate economic budget management tool when business slows down. As to the suggestions made by the Opposition, I must admit quite frankly that I have been unable to reconcile them. How can they say that they are really intent on reducing the deficit even more, when the few concrete suggestions they made this past year would see a reduction in Government revenues or an increase in public expenditures—

**The Acting Speaker (Mr. Guilbault):** Order, please. The time allotted to the Hon. Member has expired. The Hon. Member for Ontario (Mr. Fennell).

[*English*]

**Mr. Scott Fennell (Ontario):** Mr. Speaker, I wanted to check the number of times I have spoken on closure in the last five years. Closure is the mechanism put in place by the Liberal Party to shut us up. It is a disgrace to Parliament. It is a disgrace to my constituents and to Canadian citizens at large. It has been overused and must be stopped.

We listened to a speech by a government Member just now. Regrettably I must tell you that the statistics he was quoting are totally inaccurate. I do not know whether he has ever been to a finance meeting. I do not know whether he has ever read statistics. However, there was no accuracy. As an example, he stated that in 1978 they had to increase the percentage of deficit. In 1978 the deficit actually decreased from the previous. I do not know where he got his figures, Mr. Speaker, but they are out of line.

We are debating borrowing authority and being clamped down on it. March 31 comes this weekend. On March 31, prior to the present Prime Minister (Mr. Trudeau) and his gang taking over, the total deficit of the country was \$18 billion. One year from this weekend the national debt will be 10 times that amount. It will be \$180 billion plus. This country is in bankruptcy, Mr. Speaker. The Government is bankrupt of ideas. It is providing nothing to improve the private sector.

The Member who spoke previously also stated that it is up to the private sector to bring us back. Ninety-two per cent of our personal savings go to fund the Government. That leaves 8 per cent. How can the private sector compete at reasonable costs?

• (1620)

It is ridiculous to invoke closure on this Bill which concerns such an important subject. It will affect every child in this country and his or her children for generations to come. I have five children. My grandchildren will have to face up to this