

Adjournment Debate

My main exception was that he indicated the government was following the trend line with regard to expenditures of the gross national product in this country. A very observant person would know that is simply not the truth. The government has not been following the trend line as it has represented. It has been allowing expenditures to grow in the country at a substantially faster rate than the trend line.

I remind hon. members of the rather startling growth we have seen in Canada in expenditures. In 1968, total federal government expenditure was approximately \$12 billion. At that time national revenue was roughly equal to the expenditure level and we were able to show a position where the net national debt was only \$16,759 million. On a per capita basis, the net debt was \$792 and in total, 21.2 per cent of the gross national product was reflected in our net debt.

I mention this because it is important to realize that not only has the government been allowing its gross expenditures to increase at a faster rate than the growth in the gross national product, it has not succeeded in obtaining the revenue to balance the budget. The net result is that the net debt in 1968 was about \$16 billion. By 1970 it was still under the \$17 billion level. By 1979, it grew to \$55 billion, or \$2,360 per capita. This represented, as a percentage of our gross national product 22.2 per cent, or about 3 per cent more than it had been, for example, in 1970.

There can be absolutely no doubt, now that the estimates have been tabled in the House that what is proposed, for example, is to take the expenditures, which we feel are unduly high in the current fiscal year, to some \$82,275 million in the fiscal year 1984.

I think the government should start to level with the Canadian public now. Perhaps for a few years, both Canada and the United States were, if you like, similar to those attending a party: we both got a little drunk. We got drunk in our irresponsible attitude in handling affairs of the people in the United States and Canada. In the United States, the responsible government of President Reagan has now taken power. It has given every indication that it plans to straighten out the country; but there is absolutely no such indication here by the Government of Canada.

I know you do not attend parties, Mr. Speaker, but those who do realize that if everybody else is somewhat drunk, perhaps one can get away with more than usual. As soon as the other countries attending start to sober up, Canada will obviously be the drunken country at this world party.

● (2205)

I would suggest to you, Mr. Speaker, that this government is leading us into higher inflation and higher interest rates as a result of its total irresponsibility in handling our affairs. The government is drunk; it is drunk first with the craze for power, but it is drunk beyond the point of realizing how it is putting our nation into a situation which will be very difficult to rectify.

How quickly we forget that in 1970 the interest on our public debt was \$1,675 million. That is what we spent in that

year in interest costs. As hon. members know, in the current year, the year beginning next month, we are told that total debt costs will be \$12,350 million. What further evidence should this government need that what it has been doing in the line of expenditures, incurring greater and greater deficits, is something it cannot continue to do without an obvious steady increase in our debt charges?

If we look at the 1981-1982 estimates, we find those debt charges are projected to go up to \$16 billion by 1984. It is not long ago that the total federal budget was less than \$16 billion. It was certainly a lot less than that when the emperor, the man who pretends to be a prime minister today, took power. It is time we got some answers.

Mr. John Evans (Parliamentary Secretary to Deputy Prime Minister and Minister of Finance): Mr. Speaker, I have often noticed that hon. members select their analogies from situations with which they are most familiar. I hope that is not the case with the hon. member opposite tonight.

Mr. Kempling: He does not drink.

Mr. Evans: The hon. member for York-Peel (Mr. Stevens) expressed some confusion the other day, and even more tonight, about the government's commitment to keep federal spending within the trend growth of the economy.

Mr. Stevens: That is not what you said.

Mr. Evans: I will try to clear up this confusion.

The confusion stems from the comparison the hon. member made between the 16 per cent growth of budgetary expenditure over the nine months ending December 31, 1980, with his own estimate of actual GNP growth of 12 per cent in 1980-1981.

First, the hon. member should be aware that the government's commitment is with regard to the growth of total outlays; in other words, the sum of budgetary expenditures plus loans, investments and advances. Total outlays grew 14.4 per cent over the same nine-month period ending December 31, 1980. This is significantly less than budgetary expenditures.

Second, the hon. member uses a 12 per cent estimate for GNP growth in 1980-1981 when he should have used trend GNP growth. In a year of cyclical weakness such as 1980-1981, actual GNP growth would be significantly less than trend GNP growth. Our current estimate of trend growth would be in the 13.5 per cent to 14.5 per cent range. This is composed of 10 per cent inflation and trend real growth in the 3 per cent to 4 per cent range.

Mr. Stevens: What was the real growth last year?

Mr. Evans: It should be noted that, while the growth rate in total outlays for the nine months ending December, 1980, was 14.4 per cent, it is still expected that the growth of total outlays for the fiscal year 1980-1981 will be 13.2 per cent as estimated in the budget, and well within trend GNP. The