

Mr. Stevens: There. Eddie Broadbent said it, Mr. Speaker. He said, "That's wonderful!"

Mr. Deputy Speaker: Order, please. As the hon. member knows, he must refer to members of the House by their constituencies.

Mr. Stevens: When the people of Oshawa see the rising unemployment in that town they will certainly remember the hon. member for Oshawa (Mr. Broadbent) and how little he is doing to correct the unemployment in his constituency.

As I was saying, the financial effect of this NDP plan would be to increase total spending, not by the \$2.5 billion by which those who sit on the government side have increased it, but by a further \$3.8 billion. Their proposals would raise the deficit by \$2.1 billion, which would mean a staggering \$16.3 billion deficit in this country if the NDP had its way.

I do not think it is fair only to be critical. Some of the socialist spending proposals, taken separately, could be in the public interest. It is difficult to argue against implementation of the Hall report, increased skills training, an energy bank or measures to improve small craft harbours and expand research and development work. In fact, a few of their spending proposals reflect priorities of the Progressive Conservative government.

Some hon. Members: Oh, oh!

Mr. Stevens: There is an over-all problem, however, in that taken together, with no offsetting spending reductions in other areas, all the NDP plan does is increase government spending, thus leading to increased inflation. Any employment growth in the short term would very quickly dissipate in the absence of measures to encourage long-term permanent job creation in the private sector.

NDP policies would, in fact, discourage private sector investment. Increased taxes on capital gains would make it difficult for firms to raise new equity capital. The use of straight-line depreciation for tax purposes instead of the existing capital cost allowance would substantially reduce cash flow and would reduce the profitability of new ventures, thus reducing investment.

Let there be no doubt, there are only two ways to finance the deficit. The first is by printing money. This leads to an expansion of the money supply, resulting in increased inflation. The second way is by borrowing money, the line which the government has been left no alternative but to take. This crowds out private sector borrowing and thus raises interest rates. When the government borrows money its total interest costs go up. As a result, the deficit goes up. More money must then be borrowed to pay the interest on past debts. Whether the NDP decided to finance the increased deficit by printing money or by borrowing money or by a combination of two, the result would be higher interest rates or higher inflation or both. This is, presumably, the exact opposite of what they want to happen. Certainly it is the opposite of what is needed in the nation today.

Bretton Woods Agreements Act

I relate this to Bill C-5 because I believe that what the International Monetary Fund has been attempting to tell its various member nations is simply this: Get back to sounder management of your economies or we shall be obliged to come in.

It is not as though there were no examples of places where the socialists' experiments have been tried and found wanting. We know what has happened in Jamaica. We know the trouble that country has got into. At one time the socialists waxed eloquent about Manley and what a great job he was doing. Our little socialist, now the Prime Minister (Mr. Trudeau), is, of course, a bosom pal of Mr. Manley. But what happened, unfortunately, to Jamaica—its problems as far as the international world is concerned and the terms being set by the International Monetary Fund—could happen here if we fail to act prudently. As far as the United Kingdom is concerned, we have an excellent example of the way in which the socialists, following much the same views as have been put forward by the NDP financial critic in this House, have led that country to a position of crisis, one, hopefully, which is now being solved by a Tory government.

The bill before us is a short bill, basically to increase our contribution to the International Monetary Fund. It is also an extremely important one because of its international ramifications. It allows us, for a brief moment at least, to reflect on the consequences which could happen to Canada if we fail to set our own economic house to rights: eventually, the rest of the world will right it for us. And this has nothing to do with whether the rest of the world believes in socialism or not. There is only one economic law and we have been breaking that economic law.

Mr. Edward Broadbent (Oshawa): Having listened to that speech, Mr. Speaker, I am even more convinced that the position outlined by my hon. friend from Saskatoon East (Mr. Ogle) so ably on second reading was 100 per cent cogent. I say this because it differed by perhaps 180 degrees from what we have just heard from the hon. member, who sits literally and speaks metaphorically to my right.

However, I have not risen today to repeat that we support this bill but for a quite different purpose. Given the answers we received from the Prime Minister (Mr. Trudeau) in response to our questions on the pipeline and the ruling by the speaker earlier today, I have no option, bearing in mind the seriousness of this issue to the energy future of Canada, but to move, seconded by the hon. member for Vancouver-Kingsway (Mr. Waddell):

That this House do now adjourn.

Mr. Nielsen: Shame! Irresponsible!

Mr. Stevens: On a point of order, Mr. Speaker—

● (1630)

Mr. Deputy Speaker: A motion to adjourn the House is in order, and it is not debatable.

Is it the pleasure of the House to adopt the said motion?