

Bretton Woods Agreements Act

there is probably going to be over the next few years an adaptation of our debt machinery so that countries that do find themselves in payments problems again can work within a collective environment so that there is a modicum of equity throughout the world with respect to rescheduling, both with respect to government and official credits and international credits and also with respect to the private credits because they will continue, I think, to play a very, very strong role with respect to the transfer of resources to all the countries of the world.

I would emphasize this:

So, in brief, I agree with the conclusion that there needs to be a strong IMF and a strong IMF can work to the benefit of all countries both lenders, creditors and borrowers and I think that what we really need to do is adjust ourselves within the first scenario say, so that the adjustment process can take place without accelerated worldwide inflation which is to nobody's benefit.

I read that into the record because so many things that have been done by this government and are being suggested by our socialist friends to the left are totally inconsistent with what we should be doing domestically in relation to the international climate that we have spelled out there. As Mr. Hilton indicated, our time is short. It is very important that we as a nation arrest some of the things that have been contributing certainly to our falling dollar, high interest rates, high inflation levels and our current account deficit with the rest of the world.

Let me first specifically contrast the type of budget we brought in on December 11 with the present budgetary position of this government. Rather than, for example, cut expenditures, this government between December and April, when the present Minister of Finance (Mr. MacEachen) brought in his economic statement, increased expenditure levels in the country by \$2.5 billion. He not only increased the level by \$2.5 billion, but actually caused revenues to be lost by giving up certain of the tax revenue measures that our minister of finance, the hon. member for St. John's West (Mr. Crosbie), proposed in his budget. The loss was \$1.2 billion. Therefore, between December and April, our budgetary position as far as surplus or deficit is concerned is worsened to the extent of \$3.7 billion further in debt or deficit, or a 35 per cent increase.

When we come down to the actual financial requirements, this government has led us into the position where, rather than have in a current year a financial requirement estimated in the Clark government budget of \$8.2 billion, we now find it is estimated at \$11.7 billion, a 43 per cent jump in financial requirements between December and April of this year.

The reason I bring this point in as far as the debate on Bill C-5 is concerned is that we must not forget it is the International Monetary Fund which is really our lender, if you like, of last resort. That is the fund we are eventually going to have to turn to if we do not right our own ship domestically. Certainly Italy and Great Britain have done it.

The available credits that are open to Canada in the International Monetary Fund are almost \$9 billion, and they may have to be called upon at some time. However, there is absolutely no need for us to have to turn to the International Monetary Fund now or in the future if we take some of the corrective steps that were anticipated in the Clark government budget brought in on December 11. That is why we must first of all accept that we are in a world economic condition that is very precarious. Of the nations that are playing an important

role in that world economic condition, Canada is in one of the most serious financial positions.

It absolutely behooves this House not only to encourage but to make suggestions to the government as to how they can correct the irresponsible position which they led us into in earlier years. The reason I touch on the socialists to my left, who like to be called social democrats although I understand they do not have too much democracy in their party in Nova Scotia and certain other places—

Some hon. Members: Oh, oh!

Mr. Hnatyshyn: Right on.

Mr. Stevens: The reason I want to touch on the socialists is that in their utter frustration, realizing they will never have an opportunity, certainly in this century, of bringing in a budget in Canada, they brought in what they called a shadow budget couched in typical socialist jargon. What could be better described as a socialist budget than a shadow budget?

If hon. members take the time to read some of the measures in that so-called shadow budget, they will see how absolutely irresponsible they are. With the international climate that we face, with a government which has lost control on spending in this country and is forcing us into a financial requirement 43 per cent higher than we felt was needed last December, we have the socialists egging them on to even more spending and a bigger deficit. That silly Keynesian type of rationale should be left in the universities and practical people should be given a practical opportunity to run this country.

Some hon. Members: Hear, hear!

Mr. Stevens: Don McGillivray in yesterday's *Montreal Gazette* put it rather well when he stated:

Canada's socialists might have got further in the 43 years since the Regina Manifesto if they had been as tough-minded in analysing their own proposals as they have been in exposing the sins of capitalism. A case in point is the "budget" brought down last week by Bob Rae, the financial critic for the New Democratic Party in Parliament.

What did they say in that so-called shadow budget? This is just a quick summary. They said they felt there should be higher federal spending, a larger deficit and higher taxes. Further, in their presentation of the federal government's accounts they felt there should be differentiation between expenditures which they call investments and expenditures which are not investments. So be it. What the New Democratic Party has done is this: they have looked over their old policies and brought them out again. There is very little, if anything, which is new in the pablum they spewed forth in the form of a so-called shadow budget.

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Let us analyse the cost to Canadians should the government in a weak moment ever accept some of the things they are suggesting. For example, the net financial effect of the socialist plan would be to raise spending by a further \$3.8 billion.

Mr. Broadbent: Wonderful!