

The Budget—Mr. Epp

Mr. Epp: On the Peace Tower in this building, engraved in stone, is the statement: "Without vision the people perish." Without the vision of government, without the leadership, do not talk to me about the fact that you like government, that you are comfortable in the government benches. Talk to me about how you will lead Canadians, how you will give them vision once again. Because only as we are going to have economic development, economic success, will the matters of social justice again become valid in this House and in this country.

Some hon. Members: Hear, hear!

Mr. Epp: Only then. You cannot talk about social justice until such a moment as you give economic opportunity. Too many of us have people back in the Soviet Union. They hear a lot about social justice; they see very little of economic development as individuals, and so it becomes empty.

So, the first thing that has to happen, Mr. Speaker, is for this government to understand that it, and it first—not others, it—holds first responsibility to the economic crisis that we find ourselves in as Canadians. Should that happen, I think we would then be able to start on the road to recovery.

Canadians today are afraid. I said that today I was sad. Possibly people hearing me would say I am more angry than sad. I am both. But there is a myth that has gone through the Canadian public consciousness. I did not live in that period of time, but coming out of the 1930s there was an apology that "Tory times are tough times."

Mr. Breau: They still are.

Mr. Epp: And the hon. member for Gloucester (Mr. Breau) still believes that. There was the mythology, though, on the other side of that coin, that no matter what the Liberal Party did to you, they were good economic managers. Take a look at them now, Mr. Speaker. Any management expertise they might have had, any management reputation they might have developed at some time, surely has broken like shards at their feet. And the people who are most disappointed are Canadians.

We hear about the deficit. Jocularly, almost, they say: "We must do something about the deficit, it is serious, we have to do something." Let us look at the deficit. I remember a few weeks ago when there were rumours that the deficit was going to be substantially higher than the \$10.9 billion projected in the November 12 budget. There were members in the House and commentators who were saying that the budget could almost go all the way up to \$15 billion, maybe to \$16 billion, and in some quarters some members were saying: "Oh, do you think it could go that high, do you think it could any higher?" None of us dared believe that the deficit could approach \$20 billion. That \$20 billion—or \$19.6 billion—is projected on two other matters which the government does not want to talk about, and that is this: one, what will be the shortfall in the unemployment insurance fund—which we will know at the end of the third quarter, that will be January 1983. It could be, most likely, another \$2 billion. Plus, the minister is banking

that the deficit will not go any higher because he is planning that there will be growth in the next two quarters. Does any Canadian who has looked at the situation today believe that we will have that kind of growth in the next quarter? Can you show me one reputable economist or investor who believes that? And this is the smoke and mirrors that the minister likes to play with. Somehow he feels that the light of truth will simply not sear away those words that he is so quick to use.

• (2130)

With respect to the deficit of \$20 billion plus, there is no other single factor which will more quickly, more dramatically or more deeply erode confidence in our country than that deficit. If hon. members opposite individually were spending 33 per cent annually more than they earned, how long would their families survive? How long would they sit around their breakfast tables as families and make plans for the future? Is that the legacy they are leaving to Canadians?

I know there are many Canadians who have invested in Canada savings bonds. Last September the bond issue came out at 19 per cent plus. In my mind, at least, the setting of that rate set a target for interest rates for the next year. Why should a Canadian invest in Canadian business if he is guaranteed 19 per cent plus without risk?

Mr. Peterson: How much did you pay?

Mr. Epp: The hon. member opposite wants to be personal. He can do that, but I point out that the only way we are going to get our economy back in line is by rewarding risk-takers to a greater extent than we reward bond holders. What will be the rate for the bond issue this year? Is that a factor in the deficit? The government has to get into the bond market. It has to get \$20 billion, and the more it can find domestically the better.

Mr. Huntington: They need \$60 billion.

Mr. Epp: With the rollovers the government needs \$60 billion, but to get that what offer does the government have to make to Canadians, with inflation running at the rate it is today? What offer does the government have to make to Canadians, and what will be the cost? That is the legacy of hon. members opposite.

An interesting exchange took place in the House of Commons today during the question period. It was a rather sad exchange about old age security. The government was hanging on to the fact that old age security payments for next year would go up—not down—and from a strictly dollar point of view, that is correct. If OAS is to be inflated by 6 per cent, obviously the payments will be higher than they are this year. That is fair enough argument for the government to make. However, at no point was the government willing to concede that the amount pensioners will receive will be less than what they expected in terms of meeting inflation and the erosion of their buying power next year.

Mr. Papproski: A heartless government.