

Borrowing Authority

go into the marketplace and borrow more money so it can cover the profligate spending for which this Government has become known. The Economic Summit on industrialized nations which was held at Williamsburg, Virginia, has just been completed, and it is interesting to note that in the economic communiqué there are two major principles which are expressed by the seven national leaders. The first is that the nations commit themselves to reducing their national deficits. The reason that they should commit themselves to reducing their national deficits is the acknowledgement of the effect these deficits have on international inflation and, of course, inflation within the given countries. This deficit results, just as we have before us today, in a Government which has to go into the money markets to get loans, and as Governments get into the money markets they affect the rates of interest which loans will bear. This obviously has an effect on business, on mortgages and, in fact, on any loans to which the average citizen wants to obligate himself in order either to increase his business or for personal use. The fear is that if these deficits increase, and if Governments continue to be so heavily involved in the money markets, interest rates will increase and thereby curtail the economic recovery which all of us are hoping will take place.

Therefore, the first principle of that economic communiqué has been to reduce the national deficits. The second aspect of the economic communiqué has been that these Governments, these nations, commit themselves to reducing their ever escalating expenditures. This, of course, is concomitant with the first principle, as ever increasing deficits are, but it is also a reflection of ever increasing Government expenditures. It would appear, Mr. Speaker, from the press conferences given by the Prime Minister (Mr. Trudeau) and by the Minister of Finance (Mr. Lalonde) that it was these two points which Canada was insisting upon at the Williamsburg Conference, that it was Canada which was in the forefront of insisting that Governments commit themselves to reducing their deficits and their ever escalating Government expenditures. If only that were the case in Canada. If only those words of the Prime Minister and the Minister of Finance, given to the nations of the world, were in fact the case here. But their actions in Canada give lie to the words they express at international forums, because the evidence before us today, namely, another borrowing Bill, is evidence again that they have not made any serious effort to reduce either the national deficit or the ever increasing escalating Government expenditures.

Mr. Fisher: What about the six and five?

Mr. Epp: Oh, I am going to get to the six and five.

Mr. Fisher: You voted against it.

Mr. Epp: Mr. Speaker, I will get to the six and five if the gentleman will stop making the best speeches he does, and that is when he is sitting down.

An Hon. Member: Why don't you stand up and make a speech?

Mr. Fisher: We will.

Mr. Epp: Mr. Speaker, I heard one of my colleagues say that the Hon. Member should make a speech. I must inform my colleagues, in case they did not know, that those gentlemen opposite are not allowed to make speeches on this Bill.

The evidence in Canada, Mr. Speaker, is that the deficit in Canada is increasing. In fact, the Prime Minister indicates that the projected United States deficit is too high. President Reagan, and other members of the U.S. Government, agree and they are trying to reduce that deficit. However, if you take a look at the magnitude of their deficit, either per capita or relative to the GNP, you will find that the Canadian deficit on both counts is much higher than the American one. What we are saying here in Canada, Mr. Speaker, is, "United States, get your house in order." For some reason the Government is trying to convey to Canadians that things are better in Canada than in the United States, the Government it condemns.

This Government wants a deficit of \$31 billion. That is projected in this budget. If you take economies of scale per capita of ten to one to the United States, that would mean that the United States would have to have a projected deficit in the coming year in the order of \$300 billion to \$310 billion, when their projected deficit is somewhere in the order of \$175 billion. How can this Government keep coming back to this House and saying to Canadians, "Look Canadians, we have our house in order, but our neighbour to the south does not"?

What about spending? It is said that expenditures should not be escalating as they are. I do not sit on the Public Accounts Committee, Mr. Speaker, but that Committee's record and testimony is replete with cases of legitimate programs having been brought into disrepute because of the lack of financial management of this Government. From 1968 to the present, on a public accounts basis, expenditures, since this Government has been in power, have increased by some 550 per cent, five and a half times. Yet it is going internationally and saying to its industrial allies, "Get your house in order". Let us start here. We can take an even more recent date; since its re-election in 1980, Government expenditures have increased by 78 per cent. That is in this Parliament. Yet it is trying to convince Canadians it is keeping its expenditures in check. The Hon. Member for Mississauga North (Mr. Fisher) asks about the six and five.

Mr. Fisher: You voted against it.

Mr. Epp: If you will give me a minute, I will give you some detail. Just hang on.

Mr. Fisher: You cannot hide. You voted against it. It is on the record.

Mr. Epp: Just keep your blood pressure down. The Government says six and five, Mr. Speaker, and inflation is 6.6 per cent annualized now. That is great, but business, long before this Government ever thought it gave leadership, had already made decisions relative to the economic reality in business. If