

*Time Allocation*

consumers of this country, who are desperately seeking that kind of hope and confidence for fiscal year 1983.

What can those Members of Parliament say to their constituents? They have to say, "Well, we are adding to our gross debt". It is now \$134 billion. Given the musings of the Minister of Finance it will be over \$160 billion next year. One in every four tax dollars goes to pay interest on that deficit. This is horrendous. When we ask the Prime Minister or his Minister of Finance to set up a committee where Members of Parliament can bring forward examples of waste and areas where expenditures can be cut, we get a great, big no. What do we get from the Minister of Finance? We get a borrowing Bill followed by closure. This country needs confidence, but in the last number of weeks we have had every kind of legislation except that which will assist this country to gain the confidence it needs to rise out of this recession.

● (1550)

We need job creation and venture capital, Mr. Speaker. But what has happened? Capital has gone elsewhere. It has gone into savings, gone to other countries, gone to pay ever increasing taxes and interest, or gone to lower business debt in order for businesses just to stay alive. Instead of programs to put this money into productive ventures, we get Government Bills to borrow more, and then debate is cut so that Members of Parliament cannot adequately discuss what is being put before them. It would be all right if the Government asked for borrowing authority and then set out a plan as to how it intends to spend the money, apart from what is shown in the Blue Books. It would be all right if the Government could in fact provide examples to show that it was spending this money productively in providing pools of venture capital for small businesses and removing the disincentives to go to work. Instead, we see that this Government is really just a great consumer of wealth, a great spender of capital; not on productive things but on the kinds of things that we have seen over and over again to be unproductive. The Government has to borrow money just to pay interest on its debt, and our financial picture continues to get worse and worse.

That is why I and other Members in this House are opposing today the use of closure. We want negotiations rather than debate being cut off.

[*Translation*]

**Mr. Louis Duclos (Montmorency-Orléans):** Mr. Speaker, I have been following this debate which has now been going on since February 17, or for close to the past three weeks, and what strikes me is the weakness of the points made by Hon. Members opposite, whether from the Official Opposition or from the New Democratic Party. Basically, what do we hear? Primarily we are told that the Canadian Government has lost control over its expenditures and, as far as the Opposition is concerned, there is no question of handing the Government a blank cheque by allowing this \$5 billion borrowing authority for wrapping up the 1982-83 fiscal year and providing for the

1983-84 fiscal year with a \$14 billion borrowing authority, when we know that the estimated deficit for the 1983-84 fiscal year could approximate \$30 billion, as stated by many observers.

I would like to point out that if the Government needs \$14 billion for the 1983-84 fiscal year, it is because in its capacity as a good manager it has to plan its drive on the money markets to avoid having to do so at the same time as the provinces and large private corporations.

Mr. Speaker, what are the actual facts? Is it fair to suggest to the Canadian people that the federal Government has lost control over its expenditures? Let us look at the figures, the specific and actual data giving the exact picture. Not taking into account the debt service the federal Government's expenditures in 1975-76 accounted for 20.5 percent of the Gross National Product. In 1981-82, six years later, still excluding the debt service, the percentage had decreased from 20.5 percent of the GNR to 16.2 percent. Some way say that there have been significant changes as from the 1982-83 fiscal year, and so will it be in 1983-84.

Clearly, the Government could not stay on that course, because of the horrendous economic conditions that affected not only Canada or North America but the entire world, the whole of the industrialized nations, Mr. Speaker. If Hon. Members opposite would reel out of their shells and have a look at the world in which they live, if they would look beyond the limits of North America, they would realize that governments throughout the world are facing deficits. We only have to look at what is going on in the United States. Although their administration is headed by a gentleman who was elected on the commitment to balance the budget, after a few years they are facing a record deficit, the likes of which had never been seen over the years.

Mr. Speaker, how come the deficit increased that much? For the simple reason that, first, revenues have been lower than they would have been under normal economic conditions, and second, because expenditures in turn have been higher than they would normally have been had we had a six or seven percent unemployment rate and real economic growth of 4, 5 or 6 per cent per year, when in fact we had negative growth.

Mr. Speaker, it stands to reason that during an economic recession there is more unemployment, people earn less money and pay fewer taxes. In addition, businesses record losses or reduced profits. Consequently, taxes on corporate profits are lower as well. Slower economic activities and decreasing oil prices have resulted in a sharp decline in Government tax revenues generated by the petroleum sector. As for expenditures, one does not have to be a mathematical genius to figure out that if we compare 1982-83 and 1983-84 for instance, we will have to spend \$1.8 billion more for servicing the public debt in 1983-84 than we do this year. Expenditures for unemployment insurance will be almost \$2 billion more next year, simply because the Government must bail out the unemployment insurance fund which cannot be self-financing when