

*Oral Questions*

would have financial requirements in excess of \$26 billion. The most recent figures indicate that we will have achieved an amount that will be \$1.7 billion lower than the amount I had anticipated. We have achieved this by careful management, while caring for the unemployed and the people who are in need.

● (1420)

**Mr. Crosbie:** I am pleased to see that the Minister is concerned about whether he will be in the next Cabinet, and that he is worried about Mr. Turner who has promised to cut the deficit by \$15 billion. I can tell him that John Turner would not touch him with a ten-foot pole.

## SUGGESTED OPTIONS FOR CANADA

**Hon. John C. Crosbie (St. John's West):** Mr. Speaker, the International Monetary Fund is concerned about Canada, not just Zambia, and not just about Abyssinia or Ethiopia. It is now worried about Canada and has said that our options are unpalatable. Either we have to raise more tax revenue or we have to cut public spending, or the additional charges will be pyramided into a faster growth of debt in a vicious circle of interaction between interest expenditures and indebtedness. Will the Minister tell the House which of these options he will pursue? Will he continue allowing this vicious circle of interaction to continue so that Canada goes down the tubes? What is he going to do?

**Hon. Marc Lalonde (Minister of Finance):** Mr. Speaker, the Hon. Member says that the IMF has singled out Canada. I invite him to read the report and, as a matter of fact, I will send him a copy of it. I invite him to read what the IMF has been saying about the situation in the United States. That would be some thoughtful reading for him. Before he makes a statement like the one he has made, he will want to read the document very carefully.

I have said that the issue of the deficit is important, but I also want to point out that this has to be read correctly, contrary to what the Hon. Member is mentioning. For instance, if one takes the gross public debt in Canada and compares it to the GNP, Canada ranks third amongst the seven major industrial countries. If one takes the net public debt—that is after the deduction of the interest payments that the federal Government is receiving—the net public debt ratio to GNP, Canada ranks third out of the seven industrial nations. I am sorry, Mr. Speaker. I mentioned third before. It was fourth with respect to gross public debt to GNP ratio. It is third with respect to net public debt to GNP ratio. Only France and Germany have a lower net public debt to GNP ratio than Canada. We are ahead of the United States, Japan, the United Kingdom, and Italy in that regard. My hon. friend could get those figures as well if he wishes.

**Mr. Crosbie:** As it is so often, the Minister becomes gross when he is grasping for an answer.

## REQUEST FOR GOVERNMENT ACTION

**Hon. John C. Crosbie (St. John's West):** Mr. Speaker, the fact is that total Canadian external debt at the end of 1973 comprised 13 per cent of our GNP, just \$16.4 billion owed abroad. Today it is 33 per cent of our GNP, which is \$127 billion. That is the worst record in the OECD except for Italy.

The IMF pointed out that interest payments and past debt are still mounting, and this poses a threat to the ability of Governments to initiate policies that would foster economic growth. It is concerned about Canada. What plan of action does this ruptured, lame duck Government have to reverse this trend, so that we have some ability to initiate policies to foster economic growth? When are you going to show concern and take some action? The world is alarmed about this Government.

**Hon. Marc Lalonde (Minister of Finance):** Mr. Speaker, I certainly would not take very great advice from that intellectually bankrupt Party across the aisle. I have indicated what we were planning to do. I have indicated the steps we are taking in my last two Budgets. I have informed the Hon. Member that we have performed even better than had been anticipated in terms of reducing the financial requirements of the Canadian Government, to the tune of \$1.7 billion better in 1983 than what we had anticipated. Indeed, I want to continue along the lines because, just as we must be concerned about the size of the deficit, we must also be concerned about the plight of the unemployed and about the necessity of coming to the help of those people in need in this country during the difficult times we are facing. This is the policy that this Government is following, and we intend to continue following it.

● (1425)

## SIZE OF GOVERNMENT BORROWING

**Hon. Michael Wilson (Etobicoke Centre):** Mr. Speaker, the Government has presided over an increase in the deficit from about \$10 billion to \$30 billion. Recognizing the clear link that this report, referred to by my colleague, establishes between the burden of heavy government borrowing and our apparent high level of employment, is the Minister prepared to admit now that not only did his Budget completely misjudge the current weakness in the economy today, but it also sidestepped the main issue of excessive government borrowing, which is at the heart of our high unemployment problem and the slow economic growth we are suffering today?

**Hon. Marc Lalonde (Minister of Finance):** First, Mr. Speaker, this is not at all what the IMF report states. Second, I totally disagree with my friend's analysis.

**Mr. Wilson:** It is clear, Mr. Speaker, that the Minister does not understand the problems and the responsibilities that he is faced with as Minister of Finance.

**Some Hon. Members:** Hear, hear!