

*The Budget*

I believe that the Minister of Finance has done a masterful job of calming and appeasing the the bond holders, the people who move capital around the world, Wall Street, all the currency speculators. He has done a masterful job because it was only—

**Ms. Meredith:** With sun glasses on.

**Mr. Mills (Broadview—Greenwood):** It was only about a week and a half ago when I was actually inspired by the Reform Party's budget.

I challenged the Reform members saying they did not put enough focus and attention on the human deficit. All they want to talk about in this Chamber is the federal deficit. They do not seem to communicate their concern enough, in my judgment, about the human deficit that is being inflicted not just upon our communities and our country but all countries of the world because of the monetary system that has evolved which many sovereign countries right now do not seem to have a handle on. We are one of them.

The day I spoke in the House on that issue I received a paper from Professor Morris Miller. His paper is entitled: "Where is Global Interdependence Taking Us? Why We Need a New Improved Bretton Woods". I will read directly from the paper:

By early 1994 there was a perceptible rise in the level of concern with the focus placed on the business of derivatives that are estimated to be outstanding in the amount of about \$16 trillion. The size and volatility has provoked a congressional committee hearing and prompted *The Economist* to devote the cover and lead editorial of the May 14-20, 1994 issue to the theme "Your financial future" and to ask what the fuss is all about. The reason given is that

"the industry is new, global and already very big: the telephone number figures for the supposed value of outstanding derivatives, \$16 billion-plus, make the eyes spin—Lastly, there are fears that the derivatives fuel financial market uncertainty by multiplying the leverage, debt based buying power, of hedge funds and other speculators, an uncertainty that could, if things went wrong, threaten the whole of the world financial system".

I want to quote from an article which appeared in the Sunday, March 5 Toronto *Star* business classified. It is the cover story "Billion-dollar boys":

The Royal Bank is Canada's biggest player in international currency trading, turning over \$20 billion U.S. or more every working day. That translates into \$325 million a year in revenues and a healthy chunk of the \$150 million in profit the bank earns from its treasury operations.

It is a 24-hour a day, 365-day a year floating crap game where the players never see each other, rarely talk to each other, yet can often tell by the buying patterns on their monitors which bank in which city is offering them the business.

I started off by saying that I believe the Minister of Finance has done a masterful job in calming and appeasing the bond holders. I say that because the reaction from all of these players has been extremely positive.

However, I share the view of many in this House and even members of the opposition who ask the question: What will we do 30 months from now when the interest bill on our national debt might be \$50 billion to \$60 billion? What will we do when we have sold off federal assets coast to coast? What will we do when we have privatized everything that is left to be privatized? What will we do when transfers to universities and hospitals have been cut back? How will we pay the bill?

● (1030)

I suggest to the opposition that what we should do is not unlike what world leaders did after the second world war when they organized the United Nations conference on monetary and trade reform called Bretton Woods. Professor Morris Miller talks about that in his paper. That is the challenge for all of us in this room.

The world monetary system is not working. It is broke. We are in a canoe going down the river and all of a sudden we are in the rapids. We all want to be responsible. We do not want to tip the canoe. That is why I think the Minister of Finance has done a masterful job in cooling out these croupiers, these international casino operators that move capital and control our currency. Exchange rates and interest rates are up and down with no public accountability. They are not just doing it to us, they are doing it to all sovereign states.

Who are the losers? A certain group in our community is getting a whole lot richer and another group is getting a whole lot poorer. We all know this. How are we going to challenge these casino operators? How are we going to get at them? Canada cannot do it alone. Canada must have the support, not just of the G-7 countries but of all countries, even the new countries since Bretton Woods, that got together and said: "Hey, we have a mess on our hands".

I see lots of things in the budget that are very tough for people who will lose their jobs. The Minister of Finance has stated that. What could he do? This is the best he could do with the situation that has evolved.

**Mr. Abbott:** Oh, really.

**Mr. Mills (Broadview—Greenwood):** Absolutely. One thing that the Minister of Finance stated in the budget that has not received a lot of attention is the responsibility the financial institutions in the country have toward small and medium sized business. He challenged the financial institutions to become more supportive, more compassionate and caring toward the small business community. We all agree that in that community rests the best hope for putting Canadians back to work.

In a couple of weeks we will begin meeting with the banks again and challenging them. I for one will be asking them: "How is it that you can operate private casinos, most of them in