

Government Orders

made over the last half century in unemployment insurance and other social programs.

This government wants us to believe that it is the federal debt itself that is the source of all these problems, that if it were not for the federal debt our country would be free. To a small extent that is true because the program spending, the money we spend on the necessary work of government, including social programs, is not what is breaking our budget. It is not what is putting us in the red. In fact, we are collecting more revenue than we are spending on programs.

In fact it is the debt that is putting us further into debt, it is the debt and the interest payments on it that is making it impossible for us to balance our budget, since the government refuses to collect the adequate taxes from the companies and individuals who can pay them. As a result, today we have the weekly corporate welfare bum award presented by the member for Nickel Belt.

The program as a percentage of our gross national product is really quite small. It has dropped from 19.5 per cent of our gross national product to 16 per cent in six years. So it is not that we are living beyond our means. The revenues cover more than our program spending. The hook is this debt which this government has allowed to double in the last six years.

As is well known, we have interest rates that are five points higher than the U.S. interest rates. That is by this government's choice. This government has refused to take action to lower Canadian interest rates. They are also far higher in the real sense than they were during most of our history. During most of our history, real interest rates, the difference between the nominal interest rate and the inflation rate, was about 1 or 2 per cent. Now it is more like 6 and even 8 per cent.

That is what is killing small business. That is what is causing a record rate of bankruptcy in small business. That is why this government claims it has to cut back on the social programs which the Prime Minister used to call a sacred trust. Obviously, he considers them a trust, not in the sense of a sacred trust, but in the sense of a financial trust. But he called them a sacred trust.

Why do we have these high interest rates? It might be just because Mr. Crow and the finance minister are pathologically afraid of inflation. However, more seriously, I think it is because they want a policy that they

believe will keep on attracting international capital into Canada and subordinating Canada to an international global interest system.

We had a confirmation of that in January when the interest rate was allowed to drop by a few decimal points. Foreign capital immediately began withdrawing their short term money and chased the interest rate back up again.

The international money markets now have Canada by the throat much more firmly than they did when this government took power in 1984. The finance minister is afraid to confront international capital. In fact, he has decided that since we cannot lick them we will join them which, of course, is good for some people. It is good for the people who are in the business of capital. It is bad for the large majority of Canadian people; men, women and children.

The finance minister claims to be realistic, but in fact what he is doing, according to his own figures, is reducing the standard of living of Canadians. By his own budget figures, it will actually be reduced by over 1 per cent over the next several years. Instead of increasing as a real rate of income, real buying power, it is going to be reduced.

I want to point out what happens to countries which allow themselves to be pushed into this cycle of reducing their standard of living so that they can feed the banks, especially the foreign banks. There is a great deal of experience about this in the countries to the south of North America, that is, in the southern hemisphere mainly. These are countries that used to be the colonies of western Europe, some of which then became colonies of the United States and are now under a sort of neo-colonialist rule by the banks, mainly of western Europe and the United States.

• (1640)

Recently I had the privilege of attending for my party at the subcommittee on external debt of the Standing Committee on External Affairs. I heard the Reverend Jaime Wright, a Presbyterian minister from Brazil and a close associate of Cardinal Arns there in social justice matters. Jaime Wright was brought to Canada to speak for the Canadian Council of Churches during its Ten Days for World Development tour. It was our good fortune that he also spoke to the parliamentary subcommittee on external debt.