This will be a problem as long as we have models of economic growth or economic activity which presuppose that there must be a certain kind of growth in order for good things to happen, in order for the poor not to be poor. The hope that people invest in growth is that if we get enough growth then the poor will somehow become not poor without the rich having to share, that growth will somehow solve the moral problem that is at the root of our economy.

We will always and will increasingly have an even more serious problem with the poor, not only in our own country but globally speaking, unless we face up to this flaw in our way of thinking, unless we face up to the fact that we are not going to be able to feed, clothe and shelter the entire world frugally unless somebody who has a lot gives something up. That is a difficult question for people to face.

Going back to the historical overview of the deficit-debt problem, it seems to me that we laid the foundations for our current deficit-debt problem in the 1970s when we had these unwarranted expectations. We then had the high interest rate policies of the early 1980s. Although that may have been in some way related to a larger global situation it was nevertheless a fact that the exceedingly high interest rates that we had here in Canada in the early 1980s were self-inflicted. It was a policy choice.

You may argue, Mr. Speaker, that it was absolutely necessary. You certainly did not argue that at the time, but you might argue it now. However these are policy choices that have been made by Canadian governments. Those high interest rates at that time, according to a Statistics Canada study released a year and a half or so ago, are 50 per cent responsible for the debt that we have.

• (1910)

Social programs were only 6 per cent responsible and 44 per cent was a result of revenue forgone as a result of tax expenditures, tax loopholes, shelters or whatever we want to call them.

In 1979 the Conservative government of the member for Yellowhead released a tax expenditure account. It was the first time that this had been done. If I remember the figures correctly, at that time it showed that for 1979, perhaps it was 1978, the total tax expenditure account, taxes not collected by the Government of Canada, was $32 billion. That year the deficit was $14 billion.

The money the government did not collect in 1979 was twice the deficit for that year plus $4 billion. Not all tax expenditures are bad things. Into the tax expenditure account went the child tax credit and various other things. It is not as if all tax expenditures are intrinsically evil or something like that.

The fact is that over the years that has piled up. A lot of those tax expenditures were needless tax expenditures. They were tax expenditures that were basically give-aways to the corporate culture in this country, the members of whom are very good at criticizing others when they are on the receiving end of public moneys but not so good at scrutinizing themselves when it comes to the way in which they receive assistance from the public treasury. They like to call them incentives rather than welfare.

This is the root of the problem. We have a revenue crisis in this country, not a debt crisis. The debt is a symptom of the larger problem of the revenue crisis created by some of the things that I have talked about here. I have not had time to go into the detail of it.

The revenue crisis is further complicated by unemployment. When we have policies that deliberately create unemployment we increase our revenue problem by removing people from the tax rolls and putting them on UI or welfare. There are a variety of ways in which people who are not working cost the country a lot of money. There is no willingness on the government side to recognize this.

High unemployment helps drive high public debt. Unemployment is not free. One estimate we are aware of shows that in 1992 each unemployed worker cost the federal government an average of $2,200 in forgone income tax, $730 in reduced federal sales taxes, $730 in forgone pension and UI contributions, $6,700 in unemployment insurance benefits claimed and $2,300 in the federal share of new welfare claims.

Each unemployed worker costs provincial or territorial governments $1,150 in forgone income tax, $850 in reduced provincial sales taxes and $2,800 in the provincial share of new welfare claims. That is an example of what I am talking about and why we say that the root cause of the problem is forgone revenue and policies which deliberately create unemployment or tolerate