

of our neighbours to the south. That is why President Bush was kicked out of office. It was because the Americans were tired of that same kind of economic mismanagement.

• (1650)

This is a doomed policy. This government by following the policy is doomed to relegate itself to the dustbin of history. It is proof that we cannot wring out of the economy an economic recovery by strangling the very social programs which provide the safety net for those people during tough times.

The government has targeted our social programs, unemployment insurance and the income assistance programs as being the culprits for the reason it is having such difficulty balancing the books. I want to say that only 6 per cent of our debt load is actually due to the cost of social programs.

When we break down the debt load of this country and analyse where most of the debt has accumulated from we see that over 40 per cent of that debt has resulted from compounded interest. While this government continued to follow a high interest rate policy it was burdening itself with an increasingly higher debt and it had less and less ability to follow.

The remainder of our debt is simply due to the failure of this government to recover the tax revenues that were due and payable to it by its corporate friends across Canada who stuck billions of dollars away in deferred tax payments, through tax loopholes and other schemes such as the billions of dollars that have been hidden away in family trusts. It does not cancel those. It does not close those loopholes. It does not say to the corporate sector of Canada that it is time to pay its fair share.

What government does is burden the unemployed by bringing in Draconian new measures which are going to decrease the insurance that our unemployed Canadians have had as a kind of safety net to get them through these tough times. They are burdening Canada's weakest element, our unemployed Canadians, those who have been out of work for some time by cutting back on the very programs that provide them some degree of security.

It is proof that this kind of policy direction does not work, has not worked and will not work in the future.

### *Government Orders*

The debt problem has been made a lot worse because of the implementation of the free trade agreement back in 1988-89. When that agreement was brought into force overnight we lost over \$2.2 billion in tax revenues that should have come to the Crown but no longer did because of the reduced tariffs. That was immediately. Over the years that have followed we have lost billions and billions of dollars in taxes as a result of the reduced tariff structure. Above and beyond that we have lost over 500,000 jobs which directly or indirectly are attributable to the impact and the implementation of the free trade agreement in Canada.

We have had an economic haemorrhaging of tax revenues and an economic haemorrhaging in terms of job losses in this country, which is scandalous to say the least. As well we have hundreds of businesses moving south. Those jobs will not come back to Canada. They are gone. They are gone for good. We are undergoing an economic revolution in this country in terms of the restructuring that is taking place. The jobs that are leaving are leaving for good. They will not be back and we have to find some way of regenerating some sort of economic growth in light of that reality.

We have permanent restructuring going on in this country and the government talks about the need to become competitive. I do not disagree with that. We do need to become competitive. But the policies this administration is trying to implement in order to develop competitiveness in this country are in the wrong direction.

The tools for competitiveness in a knowledge based, information based economy are the tools that are put into the hands of people to generate the skills, and the training, the knowledge, the research and development that is necessary to develop the kind of knowledge-based, information-based infrastructure society needs today to compete with those highly developed communities throughout the Pacific rim and the other countries we are competing with on a global basis.

This government has not recognized that. Instead it continues to cut funding to our provinces, to cut the cost shared programs. It is strangling the economy rather than finding ways of investing in our economy to put people back to work and create the long-lasting knowledge-based jobs that are required if this country is ever