

*Oral Questions***THE ECONOMY**

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, two years ago today Canadians re-elected this Conservative government.

Some hon. members: Hear, hear.

Mr. Langdon: In its first full throne speech, we were promised, and I quote: "Continuation of the nation's prosperity". Two years later bankruptcies are up a massive 61 per cent, manufacturing output is falling. The Mexican ambassador is talking about jobs shifting to his country from Canada.

Will the Deputy Prime Minister admit that rather than giving Canadians prosperity, his deliberate high interest rate, high dollar, free trade, GST policies have engineered a recession, an economic decline right across this country?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I think the Minister of Finance has reiterated many times in this House that in his budgets of 1989 and 1990 the economy would be experiencing a slowdown. We are experiencing that slowdown at the present time.

The hon. member talks about the number of bankruptcies using percentages and yet he does not relate it to the number of businesses that we have in this country, approximately 1.7 million. He does not relate it to the 350,000 new businesses that were created in 1989. He does not talk about that.

When the hon. member talks about bankruptcies, he does not talk about the personal bankruptcies. Those personal bankruptcies are about 80 per cent of the bankruptcies, exactly what the Minister of Finance has been talking about. The demand for credit was far too high. People were over-extending themselves and that caused an increase in inflation. That is what he said then. That is what is causing these bankruptcies.

• (1430)

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I do not believe this minister when he stands up in this House and somehow tries to blame people who have gone bankrupt, the victims, instead of the people who sit beside him on the benches.

Some hon. members: Hear, hear.

Mr. Langdon: Mr. Speaker, 43,000 bankruptcies is the highest ever in this country. It is the highest whether one takes it absolutely or as a percentage of companies operating. Yet, the minister stands up and tries to excuse it.

Why is the government doing nothing to deal with these bankruptcies? Why is it doing nothing to deal with this recession? Surely the government sees that we are into a serious deep and desperate situation for many people.

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, neither I nor the government take any solace in people going bankrupt, but there are many reasons for people going bankrupt. A lot of it has been credit over-extension. There is no question about that.

The hon. member should remember something. The incidence of bankruptcy is 50 per cent less today than it was in 1982. He fails to mention that there are thousands and thousands more businesses operating today than there were back in 1982. He is comparing apples and oranges and it does not make sense.

What is the government doing to help with these businesses and so on? It is bringing in a fair tax system—

Some hon. members: Oh, oh.

Mr. McDermid: —which will place our businesses on a fairly competitive basis with our competitors from offshore. That is what the government is doing.

You should be encouraging your friends up in the Senate, if you have any, to pass the GST as soon as possible.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, in fact, the data shows that there has been an increase in bankruptcies of over 26 per cent compared to 1984. That is significantly greater than any increase in the number of companies that has occurred since then, according to figures which we had.

[*Translation*]

I have a supplementary, Mr. Speaker. Yesterday, the Ontario NDP government announced that a fund had been created to protect the salaries of the workers when businesses go bankrupt. Will this government plan something similar for the country as a whole?