

Government Orders

In closing I would refer to an article in *The Montreal Gazette* of February 23. It is headlined Canada faces ruin if UI deficit not limited. That is a statement by Mr. Forget. I would just like to read three paragraphs of it if I have the time to do so.

"Canada might have to go to the brink of economic ruin before its leaders make the hard choices needed to rein in the growing unemployment insurance deficit", a Quebec economist said yesterday. "The government's proposed changes to the Unemployment Insurance Act amount to little more than tinkering on the margins"—

That is certainly not what we would think the opposition would say we were doing:

—said Claude Forget, a former Quebec cabinet minister who headed a 1986 federal inquiry into unemployment insurance.

This country is at most maybe three years away from a major financial crisis. It may well be that the sort of thing that we would need to do to avert a crisis is look at UI in a fundamentally new way, said Forget. Forget said taxpayers might have been lulled into a false sense of security by borrowing binges at all levels of government and don't see a need to force politicians to reinvent the UI system. There is no belief among the public at large that this is an urgent issue. We presumably will wait until it is too late.

I am here and I am glad to say we are not waiting. We are acting because that is exactly what we should be doing.

Mr. David Kilgour (Edmonton Southeast): I have a question, Mr. Speaker. I wonder if the member watched the CTV program W-5 on New Zealand. Figures were provided in the program indicating that when New Zealand went into basic collapse in 1984 its all-government deficit was 7 per cent of its gross domestic product. Its accumulated government debt was 62.7 per cent of the New Zealand gross domestic product and its net public, private and foreign debt was 47 per cent of its gross domestic product.

Today, after eight years of talk about the deficit and the debt from those opposite, including the member, the budget deficits of all levels of government in Canada—and the federal government cannot be responsible for provincial governments debts—last year was 8.5 per cent of our gross domestic product. Our accumulated all-government debt, which is about \$650 billion, was 44 per cent of gross domestic product. Yet the spendthrifts opposite want to spend \$6 billion buying the Rolls-Royce of submarine chasing helicopters.

Will the member attempt to justify to anybody who might be watching this debate how he can talk about trying to cut back on spending? They have run up the spend and borrow philosophy like Ronald Reagan in the States. The debt managed to increase over his period in office and Mr. Bush's period in office by \$3 trillion.

Will the member tell us in terms of actions rather than very cheap talk in this place where the actions and the words have been in the same direction from this grossly irresponsible government? Does it have no sense of responsibility to our children and grandchildren? Or can its members only get up as they have in the past nine years and speak about how we are going to fight the deficit and the debt next year but never this year.

• (1815)

Mr. Soetens: Mr. Speaker, I did see the show the member is talking about and was appalled at the problems New Zealand had. He was absolutely right in saying that in New Zealand the percentage of deficit and debt as they relate to their gross national product was increasing.

I am happy to say that in the eight years we have had a Conservative government in Ottawa our share of that debt, as a percentage of the gross national product, if he accepts that provincial debt and municipal debt is not the responsibility of the federal government, has in fact dropped from about 8.2 per cent to about 6.1 per cent. We have been doing exactly what we should be doing.

The member failed to mention that New Zealand, in order to help solve its problems, made some tax changes and brought in a value-added tax. I might point out we brought in a similar tax and this member walked away from the party that was taking very responsible action because he did not have the guts to take the actions that were necessary.

He asks what actions have we taken to cut spending. Let me ask that member what spending restraint measure, what cut that this government has made in eight years has that party opposite supported? Has it ever agreed with any of the cuts? Has any of its members stood in this House and said once that it is a good cut, it is one they can support?