

Government Orders

For example, the minister could tell Canadians how good and fair it is to make workers and employers help reduce the national debt through their excess contributions to the unemployment insurance account.

But the finance minister did not tell them so and the Standing Committee on Finance did not mention it either. This lack of candour may be disturbing for the Canadian taxpayers who are listening to us.

The other thing the minister did not say and the Standing Committee on Finance did not pick up on is that, by cutting social transfers, the government off-loaded its debt onto the provinces.

We know that the federal government transfers money to the provinces for education, health and social services. These transfers have been reduced over the past few years.

• (1955)

So the federal government is obviously spending less money, but Canadian taxpayers and Quebec taxpayers are not seeing their contributions reduced because the provinces have to do the dirty job of raising taxes or cutting spending and reducing services. I think that the minister should have been straightforward and said: "Yes, in the expense estimates and forecasts for the reduction of the deficit over the next few years, I should add that I will give less money for health, education and social services".

To be perfectly honest with Canadians, the Standing Committee on Finance, which has to review the minister's policies, should have mentioned it in its report, but it has not. But this is not the most serious aspect of this whole issue. Neither the Minister of Finance nor the Standing Committee on Finance, which was supposed to review these policies, has put this public debt issue in a global context. The public debt, which is obviously too high and a cause for concern, is often presented in the perspective of our friends from the Reform Party, who think of it as a private debt.

It is often said that we spend too much, just like a private citizen who spends more money than he earns and who should therefore cut his spending and things like that. We should cut social services, we should cut services, we should cut old age pensions, we should cut unemployment insurance benefits. We should cut everything. Then we realize that even if we cut everything, we would probably still have a deficit. If we cut the whole federal public service or all the federal government operating budgets, we would still be in debt.

I think that the committee should have broadened the perspective a little and presented the issue in a global context. We know that public indebtedness is not a problem that is unique to Canada or Quebec; it is a global problem. I will give you some

figures. Last year, OECD countries had a total debt of \$13,000 billion, whereas the foreign debt of developing countries was \$1,900 billion.

You see, whether it is France, England, Germany or the United States, every country is in debt. The United States have a huge debt. It is reported to be as high as \$4,900 billion. This debt, like the debt of Canada, increased these last few years, in particular under the administrations of Mr. Reagan and Mr. Bush who were known to support the same ideas as our friends of the Reform Party and others who said: "Let us cut social services and public financial support to the poorest. Let us cut taxes for the rich who will have more money to invest".

Actually, all those slogans that Reform members keep throwing at us week after week were tried in the United States during the Reagan and Bush administrations—they both supported them—and the government debt increased fivefold. It increased from 1 000 billion dollars to about 5 000 billion. Therefore, we can see that the problem is not specific to Canada or Quebec. I am surprised that the minister of Finance and the finance committee did not consider the international dimension of the problem. It is false to say that we will solve the problem simply by saying that we are spending too much on such and such a part of the population and that we must cut these expenditures.

Indeed, the problem exists in Canada and it also does in Quebec. In order to maintain our living standard and our programs and services our governments were forced to go into debt. This was not the case only in Canada and Quebec, but all over the world.

• (2000)

That is what we did and now we face an economic crisis as a result. We realize that at the heart of the economic crisis lies the public debt. It is very complex. I often think that some members put forward simplistic solutions. Yes, measures must be taken. Measures must be taken in Canada, but also elsewhere in the world. This problem must be examined and at least be mentioned in a report such as that of the Standing Committee on Finance. The committee should indicate that it is a Canadian problem, a Quebec problem, but that its causes are also global.

We are aware today of the globalization of financial and economical issues. We hear often enough about the globalization of the economy. Hundreds of billions of dollars are traded every day. I noticed lately that, every day, foreign currency transactions amount to one billion dollars. Every day, hundreds of billions of dollars in Treasury bonds are traded all over the world. We are facing a large world market where there are winners and losers. Some people invest, some trade, buy, sell. Some can in one day flood the markets with hundreds of millions of dollars in order to destabilize economies or currencies.