

give because it affects the financial structure under which these institutions operate.

We will pass this Bill and send it to committee, but we understand that the institutions that we are supporting are inadequate. Over the years, the very thrust of their charters has changed. They are no longer there for the benefit of Third World countries.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the speech of the Hon. Member? The Hon. Member for Cochrane-Superior (Mr. Penner) in debate.

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, as most Members know, it was in July 1944 that Canada, along with 27 other nations, met at Bretton Woods in the United States in an attempt to promote domestic economic prosperity through international co-operation, a very worthy undertaking indeed. The establishment at that conference of the International Monetary Fund and of the World Bank is considered to be the most significant result of that Bretton Woods conference.

Today we are debating Bill C-30 which, among other things, very simply will continue to provide financial assistance to the World Bank group annually by way of the Estimates rather than through statutory amendments. I suppose that is an efficient way of meeting our commitments. I should tell Hon. Members that the World Bank group is composed of several institutions, not just one. They have a common objective, that is, to help raise the standard of living in developing countries by channelling financial resources from developed nations to the so-called developing world.

Canada was one of the founding members of the World Bank. At this moment in our history, a message has to go forth around the world that we here in Canada have a federal deficit which is so large that it has become a serious obstacle to achieving economic prosperity within our own borders.

Mr. Turner (Ottawa-Carleton): Who gave it to us?

Mr. Penner: I will come to that. Unless we get our financial house in order and unless we do it quite soon, we will be in no position at all to assist the World Bank or to provide aid to any developing country, no matter how badly it needs it and no matter how much we want to provide that aid.

My hon. friend wants to know about those deficits and how they came about. Past federal administrations incurred these large deficits in the quite rightful effort to soften the effects of the recession upon our citizens. I would say that it was a noble and even worthy public policy, except that it was based on a false premise. It is very easy to say that in retrospect, with the wisdom of hindsight. The false premise was in the approach of Herbert Hoover that prosperity was just around the corner. Whether we like it or not, I think the corner is here. I think recovery, as much as we are going to have it, has taken place. This, in all likelihood, is our prosperity, but the deficit is still with us and it continues to grow.

Bretton Woods Agreements Act

I know that no one really wants to discuss this issue at any great length. It is a very inflammable public issue. Nevertheless, it is true that we in Canada are on the verge of a serious financial crisis. I believe that the Minister of Finance (Mr. Wilson) knows this. I also believe that some of his more politically aware colleagues want to sweep the whole issue under the parliamentary carpet. This deficit is undermining the Government's ability to use fiscal policy to respond to economic issues of the day, current economic issues. The response to which I refer is, of course, mainly in the domestic field, but since we are debating the Bretton Woods Agreement, I have to remind Hon. Members that it has an international aspect as well.

Canada today should be in a position to put forward long-range economic policy directions. Every Government wants to do that if at all possible. Included in those directions would, of course, be some response that would echo our concerns for the North-South relationship, the flow of aid and assistance to the developing world. We cannot fashion such policies. We cannot point ourselves in such directions unless we find a way of overcoming the severe handicap to economic prosperity which is being created by the federal deficit. Allow me to quote a professor at Queen's University in Kingston who said:

Unless there is a credible strategy to bring the deficit under control, other policy initiatives that are taken in the coming year will have little chance of being brought to fruition.

That statement was made recently by Professor Douglas Purvis of Queen's University. May I suggest that we need today in Canada a fair, reasonable and very constructive anti-deficit policy. Unless we get one from the Government, there is not going to be any bright future for us or for anyone else in the world who looks to Canada for assistance and aid. Canada, of course, is not the only country with this problem. Many other countries have a deficit problem.

● (1630)

We all know that there are no easy, workable solutions to this serious issue. Gradual expenditure restraint has been tried on several occasions and has failed. I believe that one reason it fails is that so often there are Departmental officials who have the devilish ability to select the most politically sensitive programs to be cut. What a clever and devious way this is of protecting their own backsides. It is nothing short of sabotage.

I believe the Canadian Broadcasting Corporation is guilty of this. Expenditure cuts have been imposed on the CBC and it has picked children's programs and programs for minority groups to cut. I know exactly what it is doing. The same thing can be said for the Department of the Environment. It cut the Canadian Wildlife Service because it knew there would be a great outcry against that kind of expenditure cut. It is nothing short of a way for officials to sabotage government policy.

The other alternative to the issue of the deficit is large across-the-board increases in taxes. We know that that would not be the answer either. It could be very disruptive and could even be harmful to a recovery which has been described as being fragile. That is not a bad description.