

Government Orders

decide against it because it is not a true use of infrastructure moneys. He will be asked to make a decision on whether it falls under the criterion and the definition. There is confusion.

• (1710)

Therefore the federal government should make it a point that if it has an infrastructure program it should go toward infrastructure. Two other levels of government have decided that spending money on a facility that is already in place is infrastructure. Since the private sector is involved with the Calgary Flames and since it is the major tenant, I recommend the President of the Treasury Board take a good hard look at the application.

My original point was that the infrastructure program was causing confusion. It is an intrusion into the marketplace. Another intrusion involves the province of Quebec and the manufacturer of the Hyundai car. Hyundai was originally subsidized, attracted to come to the province. It was to create 1,000 jobs. We were to lend it \$100 million and to sell 100,000 cars at the end of this wonderful deal.

Hyundai closed its doors when the money ran out. Some 856 jobs were created, not 1,000. There were only 26,000 cars produced, not 100,000. However the Minister of Finance is considering lending more money for it to reopen the doors and gainfully employ another 800 people, the same 800 people.

Has the government or the finance minister not even asked why it shut its doors. Is it because Hyundai is not competitive enough? Is it because it cannot sell cars?

This is the private sector in which the federal government continues to intrude and continues to distort. The private sector wants the government off its back and out of its pockets. It wants to be left alone; it can create the infrastructure. It wants the government to do only what governments can do, and that is peace, order and good government, not investing in the private sector. I do not know how much more emphatically Reformers can say that and repeat that until it finally gets the message across.

The government wants to pass Bill C-14 so that it can borrow money to meet its commitments in the red ink book. It wants to borrow money so that it can create jobs to fund our already too generous social programs rather than review them for ways and means in which it can create a social safety net that protects the truly needy, not those it protects now who do not really need the money.

We have limited dollars. We are living on borrowed money. Why do we not stop wasting borrowed money and reduce the debt and thus reduce the amount we have to borrow? The proper signal should be sent to investors, lenders and consumers that the government will change the mistakes of the past 23 governments and finally make a commitment to the proper principles

of economic growth. Lord knows, with all the advice we have available through bureaucracy we could do it.

As a member of the Standing Committee on Finance I have heard some interesting presentations on a replacement tax for the GST. I have also had the very good privilege of questioning the deputy minister of finance, Mr. Dodge. It is worthwhile for the entire Liberal cabinet to listen to him, especially the finance minister to whom this man has to answer. Let me read a comment that he made to the committee referring to our huge debt. He said that the problem was not only a federal one but also a provincial and local one.

• (1715)

In 1992-93 our deficit stood at approximately \$40 billion federally and approximately \$25 billion provincially. The debt at the federal level is getting very close to three-quarters of the GNP. We are paying interest rates that are about 2 per cent above the rate of growth of the economy. That means we have to divert increasing amounts of taxpayers revenues just to service the past debt.

Canada's total budget deficit was the second highest among G-7 countries in 1992. We are just about leading the G-7 with respect to all levels of spending which is approximately 50 per cent of our GNP. The proportion of our debt that is internationally held has increased a great deal over the past 10 years. It is to the point now where the combined federal provincial total is about \$750 billion and \$300 billion plus is foreign held.

We must pay foreigners more and more to service Canada's foreign debt, approximately \$1 of every \$20 produced. All we can say is there may come a time when financial markets will feel they can no longer trust Canada to handle its problems. People will want to sell their Canadian bonds and we will no longer be able to borrow. We will face serious problems like New Zealand, Sweden, et cetera.

The important part is that the moment of truth can arrive just like that. That means when the Liberal government's program and budget after this year and next year do not work, its final recourse may be the International Monetary Fund. The government may have to invite them here and I do not think we need that. Do we want to invite the International Monetary Fund to solve our problems? I do not think so.

Is the finance minister listening to his own deputy Minister of Finance? Is the Liberal cabinet discussing the seriousness of the debt and the deficit and the interest costs on servicing that debt? What is going to happen if interest rates continue to rise? I will leave that for another speaker to possibly address.

I recommend we handle our own problems before resorting to groups like the International Monetary Fund. I recommend a complete overhaul and entire review of the taxation system. Never mind just a GST study, make a commitment to an entire