

• (1635)

Step number one in solving a problem is that you must deal with things as they are, not as you would wish them to be. This Pollyanna wishing and saying that the United Nations says we are number three in the world, why are we not number two or number one in the world? We are borrowing it. We are going down the hole. Our grandchildren and our children will be paying off debts that our generation and the generation that preceded us ran up. And these people are saying: "Everything is fine in the world". It is insane.

Let me read from *The Wall Street Journal* about this number one nation in the world. I am quoting Mr. Alan Reynolds in *The Wall Street Journal* of Friday, October 14:

The drop in the Canadian dollar, 20 per cent since 1991, is largely caused by the uncompetitive tax climate for both labour and capital. World investors do not like to invest in countries with rising tax rates.

The article goes on:

The weak currency means Canadians, and the Canadian government, have less buying power in the world. When the Canadian dollar falls, the government needs more Canadian dollars to make the interest payments on its large foreign debt. The increased tax rates after 1989 have thus increased the spending side of the government's budget by sinking the currency and raising interest rates, as well as shrinking real revenues.

Now this is not the party opposite. This is a world renowned, respected economist from the Hudson Institute.

These are the kinds of comments, the kinds of articles that affect our interest rate on the 30 per cent of the foreign debt owned by other countries. Every time we make an interest payment on that foreign debt we are putting German, Japanese, and American people to work.

Why do you think our interest rates are five points higher than the American interest rates? Is it because we are such great money managers? Why do you think our unemployment rate is 3 or 4 per cent higher than the American unemployment rate, yet our economies have matched each other for 40 years? Is it because such masterful people have been running our economy, the Liberals, the Conservatives, and again the Liberals?

In 1984 the Conservatives were elected with a mandate to get our country's finances under control. They did not. They blew it. There are two Conservatives in this House today. Count them. The Liberals have the same opportunity today to address the number one problem. If they do not do it there will be two of them left after the next election, maybe. Canadians are sick and tired of this Pollyanna attitude to what is really hurting our country.

[Translation]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, the Reform Party member is right when he says that

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Canada is heading for national bankruptcy. The hon. member is also pretty much on target when he says that the government lacks the will to put some order in its finances.

This lack of political will, as well as the fact that we are obviously heading for bankruptcy, has been quite noticeable since the Liberals took office. Foreign investors are extremely concerned about the state of the federal government's finances. The fact that Canada's economic situation is truly out of control may not be the main reason why Quebec wants to become a sovereign state, but it is certainly one of the reasons. As the Reform member pointed out, this government lacks the will to act.

We can accept the fact that Liberal members rise in this House to say that Canada is the best country in the world. However, with impending bankruptcy looming on the horizon, Canada may not hold that honour for much longer. This reminds me of the captain of the *Titanic* who, in 1912, said that his ship was the most beautiful in the world and referred to it as "the unsinkable *Titanic*".

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The *Titanic* sank, but that does not justify the fact that Canada is experiencing very serious problems. The whole world is aware of that, and particularly investors. Yet, this government does not have the political will to correct the situation. This is serious, especially since the government and the minister could take a whole slew of realistic measures to help the economy. However, they simply will not do that. On the contrary, the government is bent on eliminating the debt at the expense of the poor. And that makes this federal regime even more unfair.

[English]

Mr. McClelland: Madam Speaker, I think my hon. colleague from the Bloc hit upon quite a salient point. We are facing yet again this question of how we are going to survive as a nation united with Quebec as a part of Canada.

The Bloc brings forward the notion that what is it about the federation of Canada financially, is this country so well managed that we could not manage on our own just as well? I guess it does that because of the mess we are in and that argument has some weight. In my opinion, and I think in the opinion of most Canadians, we would all be much worse off, Canada and Quebec, in the event of a separation. That very question is hurting us today in interest rates.

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint John—Trans-Canada Highway; the hon. member for Mercier—Manpower training.