

Government Orders

I do not know whether this member reads what is going on in his country or whether in caucus they discuss the realities of this world. In Toronto, which is supposed to be the mecca for industrial expansion and growth, 35,000 construction workers with an average salary of somewhere between \$25 and \$30 per hour are now unemployed. They were not low paid service sector type jobs that the member takes great pride in saying that his government created. They were products of a highly trained, highly educated system in southern Ontario which realized that, in order to meet the needs of a new economy, we have to produce these kinds of people.

Can you imagine the amount of revenue the Canadian government would garner from taxing those people who have salaries of \$25 to \$30 an hour, but who are now unemployed, thanks to your economic policy and fiscal mismanagement. The are unemployed and the member wants to know what is going to happen to these people.

The member states that the government is going to change the unemployment insurance system. He is talking about taking \$2.9 billion of government moneys from those people who have contributed right up to this point. He is talking about a 30 per cent increase in bankruptcies in Canada. This is the highest level since the recession eight years ago. He takes great pride in that. I do not understand it. When I said earlier that the government opposite had a distorted view of reality, I did not think it had permeated down to the back benches.

Complete industries are being wasted away. Over the course of the last several weeks, we have had example after example. The major furniture manufacturers of southern Ontario and southern Quebec are moving their plants to the United States. Textile industries are closing their doors one after the other. Yesterday, one of the oldest carpet manufacturers in southern Ontario was closing all of its operations and moving down south, causing jobs to be lost. All of that is as a result of the high interest rate policy, the FTA, and a high dollar which decreases the opportunity for Canadians to engage in a productive environment here in Canada.

If the member is suggesting that the government is saying that the best thing Canadians can do is to close down shop and move down south, and we are going to make sure that we provide the fiscal environment to

cause that as an inducement, an encouragement, a push factor, then he is right. But I will have no part of that. That is not the Canadian way.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Winnipeg Transcona.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, while we are talking about the deficit, I think members might be interested in being reminded that the real source of the deficit over the years has not been what the government spent and what the government collected in the form of taxes, but what the government did not collect in the form of tax expenditures, that is, those moneys which governments over the years could have collected, but which they forfeited in the form of a variety of tax shelters, loopholes, depreciation allowances, credits and various other schemes by which the government used the tax system to provide what it called incentives.

• (1240)

I recall when I was first elected to this place 11 years ago next week that the Conservative government of that time, under the leadership of the present Right Hon. Secretary of State for External Affairs, lived up to a campaign promise that it had made and provided a tax expenditure account which previous Liberal governments had not been willing to do. It provided Parliament with an account of the money that was forfeited in the form of tax expenditures. If I remember correctly, in 1979 the deficit was \$14 billion and the tax expenditure account was \$32 billion. So in that year alone we see that the government did not collect an amount which was over twice what the deficit was.

It is this kind of policy which accumulated over the years a deficit and a tax expenditure account which was much greater than the deficit for that particular year. Of course, that particular Progressive Conservative government was defeated in the fall of 1979 and the Liberals thereafter reverted to their policy of not publishing a tax expenditure account. By 1984 the Conservatives had lost their fiscal idealism and they have not published a tax expenditure account since their re-election in 1984.

I want to talk a bit about interest rates which is one of the things that concerns me. By virtue of the high