

The Budget

fallen from 13.5 per cent to 10 per cent, and the personal income of Canadians have gone up about 10 per cent or 15 per cent, which now represents close to 50 per cent of all the revenue.

That is a serious reality about this country. Again, I put to this House, what has the Minister of Finance done about it? What we have seen is that he is cutting back on those programs that would provide some assistance and adding taxes, for example, a consumption tax, which will fall heaviest on those middle income people, and relieving the corporations of another \$9 billion worth of taxes.

Surely, looking at that reality in black and white, one would have thought there would have been a different budget presented, that the Minister of Finance had a responsibility to recognize that this was a new reality in Canada, a Canada in which there is a growing disparity, a growing gap, a growing separation, and a growing feeling that a lot of Canadians no longer count and are being pushed to the sidelines.

We have had a debate in this House and there is a lot of consternation in the country about the outgrowth of certain regions or communities that are becoming anti-French in some ways, or anti-Canada. Part of it is based upon an economic reality that they no longer feel they have a stake in the country. It is related to this economic reality. If you are losing your job, income and industry, you will lash out at people. You get angry and mad.

So much of the responsibility of this budget is to repair the fabric of Canada as much as it is to deal with dollars and cents. Yet I saw nothing in the budget that was prepared to deal with this kind of reality.

Mr. Parent: They don't care.

Mr. Axworthy (Winnipeg South Centre): Maybe they do care. But maybe the Minister of Finance has become so fixed and obsessed with just one reality, the thing called the deficit, that he is ignoring the other realities of a country that is slowly tearing itself apart economically, and therefore socially and politically as well.

Let us look at another reality that is not addressed in this budget. We hear countless times about the talk of globalization, how we are now players in the international marketplace, how we have to make ourselves competitive and productive and show that we are able to meet the demands of the new international marketplace. I agree that is an incredible challenge that we face. I do not think it is a matter of partisanship to say that we are all in the boat together and everyone wants to see this country succeed.

However, let me return to the budget document for a moment and refer to a little known figure that was not drawn out or emphasized. Certainly, the Minister of Finance did not reference it in his speech. In this coming year alone, we are facing a current account deficit of \$20 billion. We are becoming indebted to foreign countries. We are increasingly allowing our economic rights to be taken over outside the borders of this country so we will no longer be *maître chez nous*. Every single hour that we sit here over \$3 million leaves this country. If you want to look at some striking figures, back in 1965 foreign indebtedness in relation to our Gross National Product was 17.9 per cent. In 1988, that had jumped to 21 per cent. About 38 per cent of our GDP is now in foreign debt.

Why that is important is it comes down to one final truth. The reason for our high interest rates. Because of the escape of capital and money from this country, the outflow of dividends, the outflow of paybacks, the outflow of that kind of money we have to have high interest rates to artificially entice further capital in. We are now paying the price for decades upon decades of foreign ownership and the resulting capital haemorrhaging that is taking place in Canada.

We used to be able to pay for it by a surplus trade balance. Back in 1984, the last year of a Liberal government, we had a \$20 billion trade surplus. Do you know what the trade surplus was last year in 1989? It was down to about \$4.6 billion. What we used to be able to pay through our merchandise trade, the sale of our grain and our resources and our manufacturing, we are now desperately losing.

I only have to remind you, Madam Speaker, that this is in the era of free trade. This is one year after we were promised by the Prime Minister, the Minister of Trade