

personal income tax revenues which fully offset that amount of money as it relates to Canada Savings Bonds.

The hon. member is asking if we are going to change our economic policy. No, Mr. Speaker, our economic policy has served us very well since September 4, 1984, and we will continue to follow that policy because it has produced a healthy economic environment in this country.

The hon. member wants us to snap our fingers and drop interest rates. I, too, would like to see interest rates down. But I know there are underlying pressures in the economy. I will give the hon. member one example. Unit labour costs at the end of last year were rising at the rate of 7 per cent. That increase in unit labour costs is the best example I can give the hon. member of a loss of competitive position. As we lose competitive position, we lose business; as we lose business, we lose jobs. Surely, the hon. member can understand the importance—

Mr. Crawford: Whoa, Mike!

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TOURISM

Mr. Peter L. McCreath (South Shore): Mr. Speaker, my question is for the Minister of State for Small Businesses and Tourism. The tourist industry has been telling me that they see themselves as a potential loser under free trade. A report that just came from the Conference Board of Canada states, in fact, that the GST will lead to growth in the tourist industry. I suspect the minister agrees with the latter rather than the former. I would ask him if he would explain how the GST will lead to growth in the tourist industry in Canada.

• (1450)

Hon. Tom Hockin (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I want to thank my hon. colleague for not asking an unfriendly question about the GST.

The reason why the Conference Board, not the government, says that tourism is going to be helped by the GST is, as I think my hon. friend understands, that the economy of Canada will be greatly increased during the first year at \$9 billion extra productivity, which leads to more tourists.

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Second, we have input tax credits. We give back the GST to business travellers, which is great news for the tourist industry. Third, the low income credits will help low income Canadians travel as well.

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ENERGY EFFICIENCY

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources.

Last August, the minister said that Canada should lead by example in an international effort to cut carbon dioxide emissions. In March, the minister shifted gears and said we should go slowly. Now the environment minister has also changed his tune and is saying: "Go slow," to the European countries that want to set CO₂ limits.

Why are the minister and his colleague changing their minds, and why is this government not leading world opinion on energy and the environment?

Hon. Jake Epp (Minister of Energy, Mines and Resources): Mr. Speaker, I find the hon. member's comments interesting.

I can refer to comments similar to what my colleague, the Minister for International Trade said today. Here is one headline from the Toronto *Star* that says: "Canada Attacked for Blocking Gas Limits". If you look at the Ottawa *Citizen*, a paper very loyal to this government, it says: "Canada-U.S. Split on Warming".

Mr. Speaker, you will find that it was exactly that split on which Canada was taking the very lead that the Minister of the Environment said Canada would take. There has not been a shift at all. In fact, there has been reaffirmation of leadership.

Ms. Catherine Callbeck (Malpeque): Mr. Speaker, this is a government that has cut the budget on energy efficiency and diversity by 90 per cent.

It will take a major announcement before Canadians believe that the government is sincere about cutting energy waste in CO₂ emissions. I want to ask the minister to make a commitment today that the new spending that he promised for this fall will restore the 90 per cent of energy efficiency and diversity spending the government cut since 1984.