

**Hon. Gildas L. Molgat (Deputy Leader of the Opposition):** It was proposed by honourable Senator Hays and he is not here, for the very good reason that he is involved with the committee—

**Senator Lynch-Staunton:** The deputy chairman of the committee is here.

**Senator Molgat:** But I am not sure whether Senator Hays wishes to say anything further. That is the problem.

**Senator Lynch-Staunton:** As you wish.

**Senator Molgat:** If he does not wish to, I have no objection.

**Senator Kelly:** I can assure honourable senators that Senator Hays does not wish it to be delayed.

**The Hon. the Speaker pro tempore:** Is it your pleasure, honourable senators, to adopt the motion?

Motion adopted.

### NORTH ATLANTIC ASSEMBLY

#### MEETINGS OF ECONOMIC COMMITTEE AND INTER-PARLIAMENTARY CONFERENCE ON EUROPEAN SECURITY

**Duff Roblin** rose pursuant to notice of Wednesday, February 19, 1992:

That he will call the attention of the Senate to two meetings of the North Atlantic Assembly, namely, the Economic Committee, together with the OECD Directorate, held in Paris, France, on 10th and 11th February, 1992 and the N.A.A. Inter-Parliamentary Conference on European Security and the Future of the CSCE, held in Brussels, Belgium, from 12th to 14th February, 1992.

He said: Honourable senators, I will chance my luck with this one and try to keep within the 15-minute rule.

I would like to tell the Senate something about the recent meeting of the Economic Committee of the North Atlantic Assembly with the spokesman from the OECD. This combined meeting is an annual event which is intended to acquaint parliamentarians with the current views of the OECD on the economies of OECD countries which, of course, includes Canada.

I will not burden the chamber with an extensive report on their forecast, except to say that it was what I call a conventional forecast with no particular surprises. Nineteen ninety-two was to be a year of slow but steady growth, and 1993 was to be considerably better with over 3 per cent growth. Canada was accorded the premier place with respect to growth. I just hope these fellows know what they are talking about.

The conclusion was that there was no drastic change of policy to be sought in most OECD countries, including Canada. Rather, it was steady as you go, no double-dip recession and no change of policy called for. But it is necessary to wait till midyear for confirmation that we are indeed making the progress that people were anticipating and hoping for.

[Senator Lynch-Staunton.]

The OECD is making quite a study of the problems involved with the economic consequences of sustainable development and environmental protection. I have no startling conclusions to report with respect to that matter, except that they seem very optimistic that the costs of environmental protection in all its various aspects in the OECD countries are manageable and indeed make good economic sense, even in the short run. I did not ask the forest industry of Canada and some of our mining people what they thought of that particular view, because I know that in some quarters the burden of protection of the environment is considerable.

There was some comment about the GATT issue that we have been discussing today. I suppose the bureaucracy of the OECD is obliged to be optimistic about the outcome and indeed not to speculate. It is not their business. I did not get the impression that they thought the final conclusion would be easy.

It was interesting to note that at about the same time the Vice President of the United States, Mr. Dan Quayle, is alleged to have linked the successful conclusion of GATT with the future of NATO with respect to American participation. It is also interesting to note that he denied that he drew that specific connection. But I think we would be living in a fool's paradise if we did not conclude that there was indeed some connection between economic policy and NATO. If GATT fails we might expect to see the further development of regional trading blocks, the Far East, North America and Europe. And if that should happen and we go our separate ways in economic matters, the hope of foreign policy unity, which we see in NATO, certainly would be prejudiced. So it seems to me that that is not an issue that we can entirely set aside.

• (1250)

Perhaps the most interesting part of the discussion had to do with a brief report on the prospects and status of the countries in central Europe who are trying to convert their economies. I will give honourable senators a thumb-nail sketch.

Much to my surprise, Czechoslovakia and Hungary were awarded the prize, so far, of approaching a stabilization of their economies under the new regime, although it is recognized that privatization of the giant state enterprises is still an unresolved issue in those countries.

Bulgaria and Romania, oddly enough, in the shorter time that they have been dealing with this problem, have been moving faster; a late start, but not a hopeless case entirely.

What was a surprise was to hear that Poland, which in my opinion was leading the pack in this respect, is now in danger of back-sliding, that the new government in that country is easing off on the harsh and difficult measures they have had to take to try to move to a market economy. This was regarded as unfortunate. I hope that that forecast does not prove to be a problem in Poland in the time to come.

Much has been said on the role of western Europe, the NATO countries in particular, in dealing with these problems. An emphasis was placed on the fact that the trading barriers