

We are leaving to our allies such as the United States the task of protecting the waters of the Arctic, and these same people dispute Canada's legal right to claim sovereignty over the area. What kind of whimperish attitude is this on the part of the government?

The budget yesterday was described quite properly by the Finance Minister of British Columbia as being whimperish in the extreme.

I should like to ask the Leader of the Government a supplementary question.

It is reported that during the Bouchard by-election campaign \$100 million worth of promises were made. How many of those promises were cancelled yesterday in this great cost-cutting effort by the government, this great effort to save the taxpayer money? Where are the shipbuilding contracts in eastern Canada? Were they cancelled? Let us hear about all of the cuts that are supposedly going to be made.

Senator Murray: Honourable senators, the statement that Senator Perrault has made about the by-election campaign in the constituency now held by the Minister of the Environment is totally inaccurate.

● (1440)

Senator Olson: I heard \$160 million!

Senator Murray: No such promises in that order of magnitude were made by the government, or by anyone acting on behalf of the government or of the Progressive Conservative Party. That is absolutely untrue.

Secondly, with regard to the merits of the case on the icebreaker, I want to point out to the honourable senator that there are more effective ways of asserting our sovereignty in the Arctic. There are certainly equally effective and less expensive ways of doing so.

I mentioned the international agreement that we have with the United States. There are also ships, overflights and ground presence that we have in the Arctic. The honourable senator should be assured that we exercise our control in a vigorous manner there.

The international situation has changed within recent months. It is our conviction that, as a matter of defence policy, there are less expensive ways of asserting our sovereignty than proceeding with the construction of an icebreaker, which, at a figure approaching \$600 million, is already more than \$100 million in excess of the original projections.

Senator Perrault: Why is it, then, that the Secretary of State for External Affairs has stated on many occasions, even recently, that protecting our Arctic sovereignty will cost a lot of money and is worth the price? The icebreaker is the only item that has been measurably cut in the defence budget. Peace has broken out, but not peace in the budget of the Canadian Armed Forces; it is up by approximately 5 per cent.

I want to conclude by noting this: In a profile of the Associate Minister of Defence the other day it was stated that she "specializes in pacifying angry audiences." I predict that Ms. Collins will have an incredible opportunity to practise her

[Senator Perrault.]

skills with hostile communities in the province of British Columbia in the next few months. Her time will be fully occupied.

Senator Murray: On the contrary, honourable senators, British Columbians are responsible people and knowledgeable about the state of the federal treasury and the Canadian economy.

Senator Phillips: With one exception—Senator Perrault!

Senator Murray: They, like other Canadians, while regretting that we all have to accept some pain and inconvenience in this process, will agree thoroughly with the objectives of the process, which is to pave the way for lower interest rates, lower inflation, and continued prosperity in this country by sound and responsible fiscal policies.

Senator Perrault: The leader is quite mistaken. I know my province infinitely better than does he. He is whistling by the graveyard. The Conservative Party is finished in British Columbia.

An Hon. Senator: So are the Liberals!

ACCOUNTING PRACTICES

Hon. H.A. Olson: Honourable senators, I want to ask the Leader of the Government if he can help us to try to understand the kind of accounting that the Minister of Finance introduced in his Budget Speech yesterday. The accounting for program spending and the total revenue of Canada is found in one set of books and then another set deals with debt service charges and all that is involved in that. I never heard of that kind of explanation of financing.

I hope the Leader of the Government in the Senate will try to help us with this. In some way the government is trying to claim that the whole of the debt and debt service charge is something that the government inherited in 1984 and is therefore not responsible for, all of which is a complete delusion on the facts. Could the Leader of the Government help us understand what amounts to a "cooking of the books"?

Hon. Lowell Murray (Leader of the Government and Minister of State for Federal-Provincial Relations): Honourable senators, there is no question of "cooking the books."

Senator Guay: They are fixing them, not cooking them!

Senator Murray: I do not have the document in front of me, but my honourable friend will find a table in the budget, the budget address or the budget papers, which will demonstrate that all but a tiny portion of the accumulated debt, the debt servicing charges, are attributable to the debt that we inherited upon assuming office in 1984.

Senator Perrault: Get off it!

Senator Murray: There is—

Senator Perrault: Do you have someone to blame?

Senator Murray: My honourable friends are—