

Oral Questions

I did say that at the provincial government level there have been settlements which have been leading the private sector and also have been higher than the rate of inflation. It is precisely that which is causing pressures on other parts of the economy, to which my hon. friend has referred on other occasions in this House, in the resource sector and the manufacturing sector.

If these pressures from the provincial sector put the competitive position of the resource and the manufacturing sector under pressure and cause us to lose jobs, we all suffer from that.

That is the precise point that I am making. That is the precise point that I think Canadians should take into account when they go into wage negotiations or when they are making pricing decisions, because we must get our costs under control in our economy if we are going to maintain a healthy future.

Mr. Douglas Young (Gloucester): Mr. Speaker, I certainly will undertake to get that information to the minister. It is taken from newspaper reports of his speech yesterday in St. Andrews.

Mr. McDermid: Read the speech. You might learn something.

Mr. Young (Gloucester): Mr. Speaker, the Minister of State for privatization learned something yesterday in his answer.

I want to ask a supplementary question of the Minister of Finance. The Assistant Deputy Minister of Finance, David Dodge, has publicly criticized the Conservative government's legislation, specifically the pension reform bill, Bill C-52. He has said that that legislation was very unfortunate.

Is it the intention of the Minister of Finance to retain the services of David Dodge in order that he can second guess the minister's judgment as well as the government's legislation?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am still looking for the quote that the hon. member has said that I made. I know what I said yesterday and I know that I absolutely did not make the statement that he is attributing to me now.

The key point here is that we have a slower economy. We have some pressures in the economy today but the point that all Canadians have to take into account in

coming to decisions is that if we try as a country to take more out of the economy than it is capable of giving, we will all suffer. We will suffer through higher interest rates and through lost jobs.

It is for these reasons that I say to Canadians that we should use some good common sense in approaching these decisions so that we do not undermine the competitive strength of the economy.

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ROUTE CANADA

Mr. George S. Rideout (Moncton): Mr. Speaker, my question is for the Minister of National Revenue. Bankruptcy proceedings reveal that Route Canada owed the federal government \$1.7 million in taxes and employee deductions. That amount has mysteriously become a mere \$500,000, a reduction of \$1.2 million. The minister assured us last week that a majority of the funds owing to the Government of Canada had been recovered.

Will the minister please explain to the House and to the former employees of Route Canada why the debt was reduced by \$1.2 million? Where is the cash?

Hon. Otto Jelinek (Minister of National Revenue): Mr. Speaker, as I told the hon. member's colleague on the Liberal benches last week, if they do their homework—and this is all public knowledge—they would find out that the federal government debt from Route Canada in fact was eliminated. Most of it has been collected. The remaining approximately \$200,000 is guaranteed, held in trust by the agent for the Royal Bank.

As well, I am happy to repeat to my hon. friend that all back wages of employees have been paid in consultation with the agent. Having studied this case very carefully from day one, I can assure him that Revenue Canada made every effort to support the benefits, wages and wishes of the employees of Route Canada, all of which have been satisfied.

Mr. George S. Rideout (Moncton): Mr. Speaker, we know from the bankruptcy proceedings that the government filed a document which reduced the amount from \$1.7 million to \$500,000. This would only benefit the directors of the company, Ruhland and the Fingold's, and other secured creditors like the Royal Bank will save, in effect, \$1.2 million, with the only losers being the Canadian taxpayers and the workers.