

affected by these unprovoked and war-like actions of the country of Iraq.

I will pass on to him these requests. They will be dealt with when he returns.

• (1430)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the minister responsible for external affairs has indeed been travelling around making very inflammatory remarks, which may in fact have put the Canadian hostages at risk, just when it seems that the whole parliamentary committee is making some kind of progress.

[*Translation*]

Mr. Speaker, last Friday, the government cut its budget allocations for workers, social services, the environment, fishermen and veterans. The government said it was because of the gulf crisis, but according to a survey, the increase in the price of oil will result in more than \$1 billion of revenue for the federal government. Furthermore, it is estimated that oil companies will be able to increase their profits by \$5 billion annually. Why should Canadians who are least well-off have to bear the brunt of the gulf crisis?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is not remarkable and, of course, it is to be expected that the Leader of the New Democratic Party will always take a simplistic approach to whatever problems may arise in the world.

With respect to the Secretary of State for External Affairs, he has just visited Jordan and Egypt where he has announced that we are providing \$26 million in assistance to Jordan and \$25 million in assistance to Egypt, along with \$13 million in debt write-offs for previously granted development aid to assist those countries because of the position they have been put into by the aggressive actions taken by Iraq.

The Secretary of State for External Affairs has expressed the policy of this government clearly and succinctly. The policy of this government is not going to change, no matter what position is taken with respect to the Government of Iraq, with respect to hostages who they should not have taken in the first place. We have no

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intention of altering our policy of assisting in a collective response to Iraqi aggression. That is a policy we are going to continue firmly and decisively in the future.

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THE ECONOMY

Mr. Jim Peterson (Willowdale): Mr. Speaker, last Friday, the President of the Treasury Board said in this House: "Liberal members are certainly not helping by saying constantly that things are going awfully bad. I wish to warn him against constantly making negative and pessimistic statements which do not reflect the reality." Let me try just a little slice of reality.

Record bankruptcies have devastated our manufacturing sector; there are 216,000 fewer jobs than a year ago; our economy is in recession and, last Friday, the government announced an accounting error of \$4.5 billion.

All Canadians are anxiously awaiting the good news. When will the minister end the suspense?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, the hon. member for Willowdale spent most of his weekend talking about a \$4.8 million error. That is not the case.

I refer him to documents tabled and discussed in this House, the Main Estimates, in which we indicated that we were setting aside reserves of \$2.6 billion and that we were expecting a lapse of \$1 billion. This is not an accounting error. This is good management.

On program expenditure we were threatened with an over-spending of \$350 million. Instead of pushing it on the deficit as the Liberals did for so many years, we made an additional effort to try and finance it from within. We are still on target, as my colleague, the Minister of Finance, said in September, of \$106 billion for program expenditure, and not more.

Mr. Jim Peterson (Willowdale): Mr. Speaker, it is fantastic economic management that the government underestimated the deficit by \$2.5 billion.

On Friday, the President of the Treasury Board defended his government's record in terms of the underestimation of costs, in terms of its high interest rate recession-causing policies, when he defiantly declared: "We will stay the course."