

### RACE RELATIONS FOUNDATION

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, my question is for the Prime Minister.

The Canadian Race Relations Foundation will cost taxpayers \$24 million. Of this, \$3 million will go to pay the salaries of the 30 governor in council appointments.

When in opposition, the Liberal member from Scarborough—Agincourt challenged these appointments. He criticized their partisan nature by suggesting that the government would appoint only those people who support it and that the government would probably place as president of the foundation somebody who has raised funds for the government.

Given that the Prime Minister has recently made more patronage appointments, how can he guarantee that he will not fill the 30-odd appointments for this board with more Liberal hacks and bagmen?

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, in answer to my colleague, I sense a mean spirited approach behind her observations—

**Some hon. members:** Oh, oh.

**The Speaker:** I am sure the hon. minister does not want to attribute motives. I would ask her to withdraw the words “mean spirited”.

**Mrs. Finestone:** Mr. Speaker, I guess I really thought she was mean spirited but if that is—

**Some hon. members:** Oh, oh.

**The Speaker:** Will the minister withdraw?

• (1445)

**Mrs. Finestone:** Mr. Speaker, I apologize. I thought the remarks were without understanding of the wonderful appointments that our leader has made in the past. I am so proud of what he has already done that I was moved to a wrong observation in that regard of the character of the person.

**The Speaker:** Is there a withdrawal in there? Will the secretary of state withdraw?

**Mrs. Finestone:** With the greatest of respect to you, Mr. Speaker, of course I withdraw.

**Mrs. Jan Brown (Calgary Southeast, Ref.):** Mr. Speaker, I would really like an answer to my question today, but I will continue with my supplementary question.

The government appears bound and determined to spend more tax dollars on multiculturalism. During debate on the issue in 1990 the president of Canadian municipalities stated that social harmony cannot be created by posters, proclamations or literary contests or even by co-operation between business and government or by directed government action.

### Oral Questions

The real challenge is in the hearts and minds of each of us as individuals. When will the Prime Minister recognize the truth of that statement, terminate the Race Relations Foundation and save Canadian taxpayers \$24 million?

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Mr. Speaker, to the hon. member, while we have not proclaimed the Race Relations Foundation as yet, we are a party and a government that believes in its commitment to the people of Canada and is committed to its word.

The member will find in the red book a strong undertaking about the Race Relations Foundation. The Prime Minister announced it in his speech from the throne. It was included in the finance minister's speech in the budget. We are committed and we will proclaim *en temps et lieu*.

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[Translation]

### AUDITOR GENERAL'S REPORT

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the Auditor General reminds us that recording revenue and expenditures of the UI account with those of the federal government distorts the government's budget results, since Ottawa has not contributed to the UI account since 1990. The account is financed entirely by workers and employers.

Does the Minister of Finance admit that, without the net surplus of \$2.7 billion in the UI account, his deficit for the current year would not be \$39.7 billion, as he claims, but about \$42 billion?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the federal government is responsible for any deficit in the UI account. True, the money comes from the private sector. However, since we are responsible for the deficit, if there is one, these figures must really be included in our budget. It is very clear that we are responsible.

Also, I must tell you that the Auditor General himself insists on this accounting policy.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, I would remind the Minister of Finance that the Auditor General is not the only one denouncing this procedure. A recent report by the Canadian Institute of Actuaries stated that since the UI program is totally self-financed, the current mechanism distorts the government's budget results.

My supplementary question is for the Minister of Finance. Instead of using this questionable procedure to hide the government's disastrous financial situation and make himself look good as a manager of public funds, why does the Minister of Finance not use the UI account surplus to reduce employers' and