

The resulting 9.2-percentage-point gap in output is the biggest since the Great Depression of the 1930s and represents idle factories, closed shops and unemployed Canadians.

In fact, the shortfall of \$70 billion would be enough to employ the 1.6 million presently unemployed Canadians at a salary of \$44,000 each per year. Is this the kind of economic situation that you say the OECD cites as an example of a country coming out of this recession? We were the first country of the western world to be in this recession and we are the last one coming out of it, because of your policies.

Senator Murray: Honourable senators, I think the honourable senator and I disagree, as his party and mine disagree, on the proper prescription for the current situation. They would spend more money and add to the deficit, to taxation and, we believe, to inflation and interest rates in doing so. Whatever blip in economic growth might be achieved by the spending of this public money, the longer-term effects would be harmful—indeed disastrous—to the Canadian economy and to the real progress that we have made—not without pain, I appreciate—in getting our economy to the point where, according to the International Monetary Fund, in 1992 and 1993 we will have the highest rate of growth in any of the industrialized countries, the lowest inflation rate and, I may say, certainly in 1993, the highest employment growth in the G-7.

• (1440)

This is progress and it has been made, as I said, not without pain. However, people do not want to throw it away by opening the flood gates and spending billions of dollars that we do not have which will again result in increased taxation, inflation and interest rates.

We have seen that alternative under our predecessors. We saw it recently at Queen's Park and the Canadian people want none of it.

Senator Thériault: The honourable senator seems to forget that Queen's Park is also in Canada, and that it is suffering from the policies of this government in the same manner as Fredericton and Halifax. That is the problem. The fact of the matter is not to spend more, but to spend better; and to spend for programs that help people who need help, not rich Tory friends. That is the difference in the philosophy.

Senator Murray: That is exactly why you should be supporting Bill C-80. We are cutting people like yourself and myself off family allowance and targeting the assistance to those who need it most.

Senator Thériault: The same philosophy that implemented the clawback of the old age pension, and now the family allowance, will eventually apply to medicare.

It is true that this is not the first time that there has been a recession. In 1980-81 we had a recession. However, because of the policies of the then government, we were out of that recession within two years.

The Conservatives took office in 1983 at a time when we were experiencing the fastest growth ever in this country. What have they done? They have doubled the deficit in the best economic times we have experienced in ages and, at the same time, more than doubled the debt of Canada. The poor people are suffering because of all the waste and extravagance, such as the recently announced \$4 billion dollars which will be spent for helicopters for the defence department. That is the Conservatives' policies.

LABOUR

STRIKE AT PORT OF VANCOUVER—FEDERAL MEDIATION—GOVERNMENT POSITION

Hon. Jack Austin: Honourable senators, the government leader will be aware that a legal strike is taking place in the Port of Vancouver affecting, at this point, a foreman's union that exists at that port. Through secondary picketing, that strike could very easily spread throughout the entire port.

The foremen's union has been without a collective agreement for several months. This labour action falls within the jurisdiction of the federal government. I would like to know from the minister whether any special steps are being taken to mediate this particular strike.

The minister will be well aware that Parliament has been recalled in summers past to pass legislation regarding strikes. I would suggest, however, that it would be most inconvenient to do so in this case before the end of October.

Hon. Lowell Murray (Leader of the Government): Honourable senators, our people from the federal Department of Labour are on the ground out there doing everything they can to try to effect a settlement and a resumption of activity. I do not think I can say more at the moment. I had a brief report on the matter from the Minister of Labour and his officials earlier today, and I assure honourable senators that they are doing their very best to bring about a speedy resolution of the problem.

THE CONSTITUTION

SOURCE OF FUNDS FOR REFERENDUM COMMITTEE

Hon. H.A. Olson: Honourable senators, perhaps I may ask the Leader of the Government a question with respect to financial support for the so-called Yes Committee that was set up yesterday.

Is any money being taken from the federal treasury, either directly or indirectly, to support that committee?

Hon. Lowell Murray (Leader of the Government): No, honourable senators.

Senator Olson: Are there any PCO person-years allocated to that committee?

Senator Murray: No, honourable senators.