

Borrowing Authority

trade surplus is concerned, lumber is one of the big sales that keeps our trade surplus in a healthy condition. Today, that has gone.

When the Memorandum of Understanding on softwood lumber was first introduced, there was a 71-cent dollar. Then the Government slapped a 15 per cent export tax on our own producers. Now the dollar is at 82 cents or 83 cents, therefore we have lost another 11 per cent or 12 per cent. The Government cannot deny responsibility for having high interest rates. I was present in the House in the early 1980s. I remember Ministers when they were in Opposition blaming the Government of the day for high interest rates in the early eighties that were as a result of world inflation and international pressures. However, today those Ministers state that it is not their fault. In the days when they were in Opposition, it was the fault of the Government. Therefore, if it was the Government's fault before, it is the Government's fault today that there is a high interest rate policy.

Those three issues have damaged the Government's surplus in trade, if it would only come to grips with it and admit a fact of life: high interest rates mean that our own industries cannot borrow money cheaply in order to upgrade facilities and compete; 15 per cent export tax on lumber; and the exchange rate on the Canadian-American dollars.

Today the Minister for International Trade (Mr. Crosbie) was once again giving the impression that everything was fine, that it certainly had nothing to do with the managerial ability of the Government that our trade surplus was declining. That is absolute balderdash. We know very well what is happening out there. The Minister for International Trade made a commitment that he was going to meet with the softwood lumber producers and come to grips with this issue and with the Memorandum of Understanding, as far as Ontario was concerned. Instead, he continues to blame the Ontario Government which was not consulted in late 1986 when the then Minister of Trade, now retired, was the one who agreed to the Memorandum of Understanding and overnight brought in that penalty on the lumber industry of this country.

The profits from Canada Post were mentioned a while ago. The Government states that Crown corporations

must pay their way. Then when Crown corporations do pay their way, the Government robs the bank, runs away with the petty cash, and uses it for its own purposes. Where is the incentive in our Crown corporations to make money today except in their dedication which is still there to a very large degree?

• (1550)

The Minister of State for Privatization (Mr. McDermid) appeared before the legislative committee which studied Bill C-11. I want to make a point about that. We were sitting in a room in the West Block on Parliament Hill waiting to start the discussion on Bill C-11, this borrowing Bill, in which the Government proposes to borrow \$25.6 billion. This is not a slap against the people who appeared. They were very senior and well-informed Public Servants who appeared before the committee. Surely, as I brought out at the meeting, on a Bill of this size there should be a Minister before the committee to whom to put the political questions. We know that we cannot put political questions to senior civil servants and expect them to reply. That is the accepted rule around this place.

The Minister finally appeared part way through the meeting and answered some political questions. However, for all the information we got out of him he might as well have stayed in his office. The Minister responsible for privatization denied the fact that even though the Government was borrowing money that at the same time it was actually transferring the liabilities of the national debt, the liabilities of running the Government, to the provinces. This means less money in transfer payments to the provinces. It passed the buck to the provincial level. What can the province do then? It has less money so it has to pass the buck on to the municipalities which come under its jurisdiction. Then the municipalities have the dirty work of cutting their programs when they live with their neighbours every day right down on home base in their own individual communities. It is either that or cutting down on programs at that level all together.

Another matter that was totally swept aside and not even discussed was the fact that in the recent Budget, \$8 billion of the increase in taxes is coming from average individual Canadians while \$1 billion of the increase is coming from corporate Canada. Yet the Government calls this fair taxation. It calls it a fair deal. That is the idea of fairness of this Government.