

Government Orders

moment—and highly discriminatory against the regions that have never really joined Toronto in the boom of the 1980s.

I say that because we now have the Governor of the Bank of Canada in an impossible position. If he reduces interest rates, inflation will go up. His prime objective is to get it down. Whatever he is going to do we are going to see high interest rates when the country cannot afford to see the rates we are seeing presently.

Each point the minister is off in his interest rate predictions adds another \$1.7 billion to the deficit. This year's budget forecasts were finalized in January before the most recent escalation in rates. It is not likely now that they will fall from 12.2 per cent to 9.5 per cent in 1991 as predicted in his budget.

• (1150)

The government must be doing something wrong. It has to have another look at what it is doing to interest rates and to this country. Maybe we need a two interest rate policy in Canada. Maybe Toronto and Montreal in the golden belt and Vancouver need one interest rate. Maybe we should have an interest rate for the rural areas as long as the money is being kept there in the area and is not leaving.

I do not know what the minister needs for new ideas, but certainly his policy is not working in Canada today. He needs to look at a lot of other proposals that have come across rather than tax, tax, tax and not admit his own fiscal responsibility to Canadians.

The dismal figures I quoted today are not the responsibility of any previous administration. It is not the previous government that created a tax policy that tightened the screws on the individual while letting large corporations off the hook. In 1984, corporate taxes accounted for 13.2 per cent of revenues compared to 10.4 per cent in 1991. In 1991 alone, the government will collect some \$2.4 billion less in corporate revenue than it had predicted last year.

When the GST comes on stream in 1991, the corporate sector stands to reap a \$6 billion tax break even if the reduction in the existing manufacturers' sales tax is fully passed on to consumers; we will have to wait and

see if it will be passed on. They could do it better than with the break that this government is giving them.

It is not the former government that followed the fiscal policy which has more than doubled the net public debt since 1984. It is not the previous government that promised to cut the deficit in half by the end of the 1980s. It is not the former government that followed an interest rate policy that binds our rates some five points above those of the United States, leaving our dollar artificially high and hurting our exporters. It is not the former government that was so strapped for money that it dreamed up the single largest tax grab in Canadian history, the GST, the most cynical and regressive cash cow ever designed.

No, it is this government, this Prime Minister and this Minister of Finance who must take credit for all of these dubious accomplishments. Canadians are still waiting impatiently for members opposite to deal with these facts, not the previous government. The Conservatives are in power. Why do they not come up with the programs that Canadians want?

I want to use some of my time to speak about the fishery and the effect this government's policy has had. Last week we had the Atlantic Fisheries Adjustment Program from this government, but its financial cupboard is bare. We saw just one consequence of this bareness and lack of ability to come up with assistance in the fish aid package.

The crisis in the groundfishery on the east coast is a result of many factors mostly beyond the control of those affected: the fishermen, the plant workers and the communities. Europeans and Americans have refused to adopt conservation measures consistent with our own. As a result, they continue to fish our stocks at a murderous rate, while our own fishermen are forced to tie up their boats.

In the House last night I talked about the 45-footer that went out to fish silver hake on Brown's Bank, which is closed to our fishermen, because it is a spawning and preservation area. This refers to the million dollar fines that the minister wants to bring into the House against Canadians, yet there are foreigners on the spawning banks today taking the fish. The fisherman could not get silver hake in his nets; he got about a 185 per cent catch of pollock.