

# Meech Lake, Via Cuts and more



Sports Minister Jean Charest was at York during the Christmas break, addressing a meeting hosted by the York University Progressive Conservatives. On Tuesday, two Liberal MP's demanded Charest's resignation because of a phone call he had made to a Quebec Superior Court judge before he was to pass judgement on a case. Charest denied the allegation that he tried to influence the judge and also explained that he was only clarifying a document filed with the court.

Excalibur's Ken Turriff spoke to Charest while he was at York, long before the Minister's current troubles.

**Excal:** Is the reduction of the Goods and Services Tax [GST] from nine to seven per cent an indication that the government was forced to compromise, under weight from public pressure and demands?

**Charest:** We certainly want Canadians to know that we are listening to them, because we are. [The reduction in the GST] mean[s] we have to impose cuts elsewhere to be able to compensate. There is not going to be any easy solution one way or another and [Finance Minister] Michael Wilson's been very clear about that.

**Excal:** Your government just announced that it will cut \$1.4 billion in federal expenditures. Is this nothing more than an attempt to sugar-coat an otherwise bitter GST pill?

**Charest:** It's in response to our fiscal needs, too high a deficit, interest rates [that] are too high, and in response to Canadians [that] want clear indications that the federal government is doing its share. We have to make Canadians realize also that [the GST is] replacing a 13.5 per cent tax, a hidden tax that they don't know of, [which] hurts our competitiveness. We are sensitive to the fact that it's not popular, but we're also resigned to the fact that it will never be popular.

**Excal:** The Atlantic fishing community has come out and accused this government of selling out to the Europeans and Americans for failing to curb foreign fishing quotas off the Canadian Atlantic coast. How do you respond to this?

**Charest:** The Spanish have been fishing off our coasts for 400 years and there are historical rights that we cannot deny. Certainly, the over-fishing problem did not start in 1984, when we were elected; in fact it was the Liberal government which gave away pretty substantial quotas to European countries and did not necessarily preoccupy itself with the availability of that resource. Now we're stuck with a very serious problem. We're looking at ways now to be able to respond to those changes and to the fact that a lot of people will be unemployed. We hope to come forward with a package soon, to help those people.

**Excal:** We are hearing that the government, with its policy of privatization, is considering selling off Canada Post and, more recently, Petro Canada. Petro Canada was set up by the government after the energy crisis of the 1970s to ensure Canadians an abundant energy supply in the future. Why, when

Petro Canada has been working so well under public ownership, is the government now working toward its privatization?

**Charest:** We've said, generally, that we are continually looking at all Crown corporations and put[ting] operations in view of seeing how efficient they are and whether they cannot work more efficiently. In some cases that may mean privatization. If ever the government decided to privatize it, [Petro Canada] would be having that objective in mind, to make it more efficient.

**Excal:** Canada is running a trade deficit for the first time in 13 years. Interest rates are high, and there have been numerous plant closures. Are these not symptoms of an imminent recession?

**Charest:** Well, the indicators go the other way in the sense that our economy is doing very well. Certainly the numbers of one month don't indicate a trend. We do have high interest rates; they're too high. At the same time, we received information that the inflation rate had gone up slightly. We don't want inflation to cripple our economy as it did in the early '80s [when] Canada suffered a very severe recession. So we're trying to put forward an economic policy that will be [as] productive as possible for Canada, among substantial structural changes, the free trade agreement and the GST. The evidence seems to indicate we're doing the right thing. We've created more jobs in Canada. We've gone from 11th to fourth position in terms of investment destination. We've had the strongest economic growth within the industrialized nations of the world, except for Japan. We've also had a substantial decrease in the poverty rate in Canada. There's been a lot of investment in machinery, a lot of investment in housing. But more has to be done. That's why it's so important to get our deficit under control, get our fiscal house in order, [and to make] reductions in spending. We brought the deficit down to 10 billion a year. We brought it down relative to [the] Gross Domestic Product [GDP] from 19 per cent in '84 to 16 per cent now, 15 per cent next year.

All that implies very tough choices. But, it's not perfect. We know that these high interest rates have an impact and we hope that the combination of a certain number of measures will help us get on a course where eventually we can bring them down.

**Excal:** Mulroney has stressed on many occasions the need to increase Canada's research and development spending in order to make Canada more competitive in the global market economy. We have

just witnessed the sale of a high-tech Canadian laser firm to Japan. Now we are about to see the Canadian owned flagship of technology, Connaught BioSciences Inc., fall into the foreign hands of Institut Merieux S.A. of France, which is controlled by the French government. Is this not the opposite of what Mulroney had promised?

**Charest:** What he had previously proposed, as early as '83, when he ran for the leadership, was increasing research and development in Canada, moving it from 1.2 to 2.1 relative to GDP. That has not yet happened. It's been very slow, because the private sector has not been contributing as much as we hoped it would. We have done different things to correct that. We changed the granting formula to the Research Council of Canada, matched our private sector grants, and opened up our economy rid[ding] ourselves of [the Foreign Investment Review Agency] so that Canada would be more attractive in terms of foreign investment. We have to accept that, from time to time, foreign investment will be interested in areas of research and development and areas of high tech.

In some cases we require assurances that will benefit Canada. Investment Canada is still in place to do that. We've undertaken those measures in the case of the sale of Connaught to Merieux. And we've received assurance that they will continue their activities in Canada, and that the jobs will remain where they are.

**Excal:** It's been suggested that the Meech Lake Accord has to be accepted as is, in its entirety. If the Accord is rejected, can that be interpreted as Canada saying no to Quebec?

**Charest:** I think so. If Meech Lake is not accepted, Quebecers will feel rejected. I think we have to acknowledge certain parts included in the Accord that cannot be negotiated. The distinct society clause cannot be eliminated; there's no way. There are fundamental things in the Meech Lake Accord for which Quebec cannot settle for less. I don't know what the other provinces intend to do. I think they're going to have to realize that this is done in good faith, and hopefully live up to their word. Otherwise nothing dramatic will happen. But its not going to be good news for Canada. Quebecers will feel rejected. This will be the second time after 1982. I can't see anything positive coming out of that.

Put yourself in the place of Quebecers, for example. If you look at Manitoba. It is probably the province that has [most] denied French Canadians their rights. They object to Premier [Robert] Bourassa using the Notwithstanding Clause. But the Notwithstanding Clause has nothing to do with the Meech Lake Accord. It was included in the 1982 repatriation of the Constitution, because Sterling Lyon, the Progressive Conservative Premier of Manitoba [at that time] insisted that it be in the '82 deal of which Quebec was excluded; we didn't sign that deal. [Premiers Filmon, Devine and Getty] had enacted the Notwithstanding Clause in their provinces to declare English as the only language of Manitoba, Alberta and Saskatchewan, because the Supreme Court of Canada said, that according to the terms of entry into Confederation, [their] province[s] were] bilingual.

But when Premier Bourassa enacted the Notwithstanding Clause in similar circumstances, again because of a judgement of the Supreme Court of Canada, [Manitoba Premier Filmon] was revolted and felt that [it] deserved his withdraw[al of] support to the Meech Lake Accord. That's a little tough for Quebecers to understand. They look at that and say 'This is Manitoba that denied our rights. They introduced the Notwithstanding Clause. Two other provinces invoked it; but when we invoke it it's not acceptable.

**Excal:** Some of the VIA rail cuts, soon to take effect, will occur in your home riding. Certainly you must be seeing a fair bit of opposition to these cuts from your constituents who depend on a passenger rail service?

**Charest:** In fact, I have two trains going through my riding; one was a Sherbrooke-Montreal daily train that will be completely cut; the level of occupancy was about 35 per cent. They lost \$1.5 million a year on the operation of that train. The other train that goes through my riding is the Atlantic. It went through seven days a week, and it will now go through three days a week. That's more than it was when the Liberal regime was [in power] in '84, and they had cut both trains. People in my constituency have accepted the decision. I'm not receiving any major complaints.