

Federal-Provincial Fiscal Arrangements Act

[English]

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for the question. The answer is very simple. In the first economic statement put forward by the present Minister of Finance the Government of Canada cut back its allocation to the NRC. It was as simple as that. The NRC had been given a grant to put up a building, to buy the equipment and put in the staff, to make that a major centre for industrial technology in Canada. We were going to become a world class centre.

Mr. Dick: Why didn't you people fill it? It was empty when you people were there?

Mr. Axworthy: Once again we have one of these stupid comments from a Conservative Member. The fact of the matter is that we made the decision to locate the NRC centre there, we provided the funding, the construction was started, the staff were moving, and at the very time the Government made its decision in the economic statement staff were on their way from around Canada to go to Winnipeg. Everything was planned. Everything was going into place. Everything was going to happen—

The Acting Speaker (Mr. Charest): Order, please. Does the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) have a question or a comment?

[Translation]

Mr. Ricard: I don't think the Hon. Member understood my question. I mentioned the National Research Centre's decision not to move into the building in July 1984. If I remember correctly, we were elected in September 1984. I wonder how the present Minister of Finance (Mr. Wilson) could have planned a Budget to prevent staff and equipment from entering the building, since the NRC's decision was made in June 1984. Your Government built the Institute. If that is how the Liberal Party was spending or spreading money around at the time, I wish the Hon. Member would explain why a building that cost \$35 million is empty.

[English]

Mr. Axworthy: Mr. Speaker, let me explain something about the geography of Manitoba. It gets very cold in the winter and you do not move into a building that has not yet been built. The building had not been completed until 1985. The decision to build the NRC was made in 1984. The funding was allocated, planning was underway, the construction was started and the hole was dug. In June of 1984 all you had on that site was a big hole and some basic mouldings going in. The building was not completed until 1985.

When the present Government was elected in September of 1984, in its economic statement of, I believe it was in November, the Government eliminated the funding that would have allowed the building to be filled. Now they are racing around trying to find some replacement for it. You cannot fill a building that has not yet been completed. All the planning had been done and the NRC was ready to go, until such time as

this Government withdrew, cut its budget and said it would not go ahead with the NRC in Winnipeg. That is why a lot of people in Winnipeg will never forgive this Government; it took away their future.

Mr. Ravis: Mr. Speaker, as a western Canadian I think that the pie should be shared equally across the country. When the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) was a Minister in the previous Government, it seems to me that there was something in the neighbourhood of \$700 million to \$800 million poured into his riding. As a westerner from Saskatoon, where we did not have any Liberal Members at the time, I wondered why all this extravagance was taking place in one particular constituency and one city and was not being shared throughout the country.

● (1550)

We now have empty coffers and are forced to pull back. I think that is the prudent step to take when one has overspent. The Hon. Member believes that it was realistic to overspend and cause an imbalance in those days. Why should he stand up now and be so self-righteous and criticize us for trying to be prudent with government spending?

Mr. Axworthy: Mr. Speaker, first, the Hon. Member has his figures wrong. The fact is that a number of important federal investments were made in the Province of Saskatchewan. For example, there was the major decision to move the Hydrology Institute to the City of Saskatoon to provide that city with a very important research facility. If the Hydrology Institute went to Saskatoon because of a Liberal decision, we equally felt that Winnipeg should be designated as a centre of industrial technology, as part of a national research plan. There was no attempt to concentrate on one region or the other. We were attempting to develop an industrial strategy for western Canada.

Mr. Ravis: What about the other \$700 million?

Mr. Axworthy: The Member throws figures around, but the figures are not accurate. The fact is that we signed industrial agreements in every province. Furthermore, we left a lot in the regional industrial fund so that Members opposite could make the same kind of claims after they came to Government, as a result of a program that we put into place.

We were also building major highways in western Canada. We undertook the \$640 million modernization of the railway system that has been a very important catalyst in giving western Canada not only a modern transportation system but in helping it to industrialize.

Members opposite keep coming back to the point that they are trying to be prudent. What is prudent about giving a special deal to 3 per cent or 4 per cent of the wealthiest Canadians on a capital gains tax write-off, while at the same time charging average families in Manitoba and every other province an extra \$1,200? That is not being prudent, that is being unfair. That is the difference.