

Government Orders

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

The motion is negated on division.

The Acting Speaker (Mr. Paproski): Therefore motion No. 6 is on division also.

• (1330)

Hon. John McDermid (for the Minister of Finance) moved that the bill, as amended, be concurred in.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

An hon. member: On division.

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mr. McDermid (for the Minister of Finance) moved that the bill be read the third time and passed.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to say a few words on Bill C-21. It is interesting to note that the government has decided that it is not going to get up and preach the gospel on Bill C-21. What is Bill C-21 doing? Bill C-21 is setting up—

The Acting Speaker (Mr. Paproski): On a point of order, the hon. member for Sudbury.

Mrs. Marleau: Mr. Speaker, I ask how this happened that the NDP was recognized before we were. Was there no speaker on the government side prepared to defend this bill? I am just shocked.

The Acting Speaker (Mr. Paproski): I am afraid he was the only member who was rising. Therefore, the hon. member for Nickel Belt has the floor.

Mr. Rodriguez: Mr. Speaker, how can one defend the indefensible? It is pretty difficult to defend Bill C-21.

An hon. member: I just finished speaking.

Mr. Rodriguez: Mr. Speaker, that was no defence. That was an apology for an appalling bill.

What does this bill do? It sets up a special account into which revenues from the GST and the net revenue from

Crown corporations that are sold off are deposited. Why does the government want to set this up? Because it says that it wants to reduce the deficit.

I have a really difficult time understanding the rationale for establishing such a special account. Canadians understand that we have the Consolidated Revenue Fund. All the revenues of the government go into that fund and all the expenses are paid out. Then at the end we get a consolidated figure.

The fact of the matter is that on the operating account of the government it has been running surpluses of between \$11 billion and \$13 billion. That is, on moneys that have been taken in and moneys that have been spent, it has been running a surplus. When one applies the interest on the national debt it takes that surplus, that operating surplus and the government has to go out and borrow another \$17 billion, \$18 billion or \$19 billion to pay the interest on the debt.

It seems to me the real problem is that we have to get those interest payments down. It seems to me the government is playing with smoke and mirrors and trying to assuage its own conscience because it brought in a very unpopular GST. It is trying to persuade and to lead Canadians into believing that somehow or other they are better off by setting up this account. It says: "Look folks, you are going to gain from this pain because we are taking this money and we are putting it into a special account. See, here we are doing it. You can see it and we are paying down the deficit and the debt."

It seems to me that if the government really wanted to do something about the deficit it would have to do something about the interest rates charged in the country.

The real rates of interest in this country as compared to the United States are still running 3 to 4 percentage points higher than our major competitor, the United States. The real interest rates in this country are a little over 4 percentage points and real interest rates in the United States are under 1 per cent.

In fact, the difference between the rates in Canada and the rates in the United States has been a traditional 2 percentage points. So we have room to lower the interest rates in this country. If we lower the interest rates it will have a direct effect on the deficit and on the debt.