

Side A Mel Couvelier – Federal and Provincial Budgets

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[Side A]

Dr. Neil Snider: We could take time with more formal introductions but it seems that the wisest thing for us to do is to give our special guests as much time as possible. And so I’m very pleased that we have two of our Ministers here. And I take pleasure in introducing our own MLA, the Honorable Carol Gran, who’s the Minister of Government Management Services, and the Minister responsible for women’s programs. Carol has been a long-time friend of Trinity Western, we always appreciate having her come to our events, and I think it’s most appropriate that she should be here today to introduce our special guest. I know you’ll welcome Carol Gran. (audience applauds)

Carol Gran: Thank you very much, Dr. Snider, and good afternoon to all of you. It’s a privilege for me to be able to introduce my colleague, Mel Couvelier. And, I could say some joking things about him, about how he has a lot of friends before the budget and few afterwards, but I won’t, because I think it’s important for me to give you a side of Mel Couvelier today before he speaks, that perhaps isn’t always that visible. He is a very sensitive person, a very dedicated family man. And I have met his family, especially his wife, and I can tell you that Mel has the same dedication to the family that the Premier does, and that all of us in this room have. He has a very difficult portfolio, and as a very new minister. First of all, last year we started a process called the Caucus Budget Committee and Mel and I co-chaired that committee, and we went through every Minister’s budget. And it was an interesting process for those of us in the backbench, a very helpful process for the Finance minister, and a very, very unnerving process for the Ministers. Because they all of a sudden had people who weren’t bureaucrats asking them questions, that in some cases they couldn’t answer, on programs in some cases that they couldn’t justify, and this is the first time that that’s ever happened in Canada. And it uh, we went through that same process against uh again this year. And I have to tell you that that was Mel Couvelier’s idea and it tells you a little bit about how he is willing to share the power and willing to share the responsibility for the decisions that get made. I learned a lot last year from Mel and this year as a new Minister, I had to submit two budgets for two different ministries almost. And I found out what it’s like to have to justify the programs that you’re asking for. Although I knew inside my heart that they were good programs and that they would help everyone, that wasn’t enough. And so I’ve learned first-hand that budgeting is a very important process and that our Minister of Finance is probably the finest Minister of Finance in this country, and I think the fact that we are the only province with a balanced budget tells me and you that I’m right. And so ladies and gentlemen, it is with great pride that I introduce to you British Columbia’s Minister of Finance, Mel Couvelier. (audience applauds)

Mel Couvelier: Wow, Carol asked me to speak to the uh, Carol and Dan asked me to speak to the Constituency Association, I guess maybe about nine months ago, a year ago and the introduction she did on me then was a far cry from the very generous words she said today. Thank you so much for that. (Audience laughs) Well, colleague Carol and Dr.

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Snider and Warren and friends, I’m delighted to have the opportunity of speaking to you today. I understand that you had asked me to speak about the Federal budget, which is a relief, because as you know I’m not supposed to give secrets away about the Provincial budget, which we won’t be delivering until April the 19th in B.C. I’m delighted to have the chance also to come back to Trinity Western. I count Bob Thompson as a personal friend and I have had the opportunity of visiting the campus a number of times and I’m consistently impressed with the dedication and the growth that’s exhibited by the college and I know that’s a tribute to not only all the faculty members but the dedication of you the students. [5:16] So I consider it an honor to be here with you today.

The Federal budget. As you know, Mr. Wilson brought in a Federal budget a few weeks back and it had the effect of significantly reducing transfer payments to the provinces. Now there were a number of other changes contained in the Federal budget but about a third of the cuts that he brought forward impact in reduced payments to the provinces. Now bear in mind, these are provincial monies, he’s just kept more of our money for himself before he flowed through the residue to our own coffers. So when I talk to audiences I get the impression some of them think this is gratuitous Federal money that they’re giving us, and so if they give us a little less, why should we complain?

I guess on budget day, Mr. Wilson’s budget day, the comment that got me the most agitated was the one where he said very dramatically, “This budget contains no tax increases.” And I, like all of you, heaved a sigh of relief and thought “Great, they’re gettin’ a hold of this fiscal dilemma the country faces, no tax increases.” It was only as the speech developed that it became obvious that the reason that there’s no Federal tax increase is because he’s dumped a third of his problem onto provincial shoulders. And I said at the time, “Wouldn’t I dearly love to be able to stand in our house and say, ‘This budget contains no tax increases.’” But in effect with the government’s budget decision, they have penalized our success in British Columbia. By virtue of Ottawa’s cuts to our transfer payments and the capping of social assistance payments, they will be requesting or expecting taxpayers in British Columbia to find an extra billion dollars over the next five years, an extra billion dollars. Our budget’s about thirteen, fourteen billion, gives you an idea of the dimensions of the change that will be expected of us. This budget, the one he just delivered had the effect of reducing transfer payments to B.C. by a hundred and twenty million dollars. Now, this is the first time in our fiscal relationships where he has acted unilaterally; he did this without notice, without discussion, without any hint that we were gonna be impacted in that way. So he gave us no time whatsoever for adjustments. No time to find an accommodation, which meant that the five months we had spent on developing the Provincial budget had to be almost totally revisited because a hundred and twenty million dollars out of a discretionary envelope of maybe eight hundred million is a very significant drop, in what we got to work with provincially.

To explain, your budget’s worth about thirteen, fourteen billion dollars per year, but most of that budget is driven by need or by formula: healthcare, social services, school

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enrollments, university enrollments, all driven by need. And so when you eliminate out of that thirteen or fourteen billion, the need or formula driven programs there's only about eight hundred million left for discretionary spending from one year to the next. A hundred and twenty million off the top meant that we had to revisit that budget and as a consequence, delay the opening of our own legislature. Mr. Wilson's budget has slashed about eighty million dollars from the healthcare system in B.C. This is a year in which doctors are demanding an extra two hundred and ninety two million dollars more in salary increases over the term of the contract, before the feds cut eighty from that total. They also cut contributions towards advanced education. So when Mr. Wilson talks in one breath about the need for a competitive well-trained workforce, and in the next breath, he announces what in effect is an attack on education.

In the area of Canada Assistance Plan, CAP we call it, jargon in the trade, which is basically the transfer payments to apply to social services, the Federal budget capped payments under the Canada Assistance Plan at **5%** over the next two years. These payments provided, once again they're your tax dollars, they're vital to each province's ability to provide succor to the social fabric of our society. **[10:01]** They're a fundamental part of the relationship between the Federal and Provincial governments. The provision of services is something that has been negotiated over years. What, how the welfare system will be structured and designed, how it will be delivered. What kind of assistance programs for the elderly. All of that very sensitive issue of human need is something that has been developed over time and the capping and reduction of their contributions to that sector has given us real problems with this year's budget in B.C. This sector touches virtually every sector of your community especially the most vulnerable sectors, the battered women, the foster homes, basic food and shelter. And there is a requirement that any amendments to the plan require mutual consent; we were never asked for that consent, we were never told the programs were going to be cut, and by virtue of that failure to serve notice, which is a contractual requirement, we are suing the Federal government on that portion of their budget presentation. Other provinces have joined us in that suit, Ontario has joined us and Alberta has joined us. And I believe there will be another government join us, also, in the suit on the basis that the contract has been violated. I've got to tell you that I view the suit as sort of a diversion, the sums of money involved are not large under the CAP program, this year about an eight-million dollar cut. Out of a hundred and twenty, eight cut for social services, I think we can handle frankly. It's the principle: when is a deal a deal? Ottawa has cut social housing, they have not recognized the net in migration to our province, up nearly sixty thousand people in 1989. Basically from central Canada and the Prairie Provinces. Now that puts unbearable pressure on our housing market and with the shortage felt most severely by those least able to pay for the escalating prices of housing. Now, we in B.C. responded to that tight housing market by approving eight thousand new units of housing this year. Ottawa with a fifteen percent cut in social housing.

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Probably the most damaging in a long-term sense in the Ottawa budget to our economy was the cancellation of Polar 8. This was an important component of the issue of Canadian sovereignty in the north and, in addition, was Ottawa's recognition that we had never in B.C. received our share of the federal procurement contracts. We have twelve percent of the population, we'd only received about three percent of the federal government's procurement contracts. And so, they gave us the icebreaker as in recognition of the fact that we had traditionally not received our share. So, we had federal ministers tell us—and we have them on tape—that we had a deal on the icebreaker. John Crosby said it was a deal. Mary Collins said we had a deal. The Prime Minister said we had a deal. Well, the deal didn't get completed. This decision to cancel Polar 8 has meant that we have lost about seven hundred and fifty jobs in B.C. About \$680 million lost to our shipbuilding industry, which has necessitated us, the provincial government, to activate the ferry building program, which at least in some small measure might help preserve our B.C. shipbuilding industry.

Someone asked me at lunch about the goods and services tax. Well, I don't know that we want to get too far into that because there's still so many imponderables associated with it. We all agree it will be complex. We all agree it has high overhead costs. I think we all agree it will be economically disruptive, probably contribute 1 ½ to 2 ½% to our inflation rate. It has been argued that we in B.C. are best able to take these kind of hits because we have been doing well in an economic sense. And that's certainly true: we have the strongest economy in Canada. We've had the best year in economic terms last year since 1981. We grew by four percent, gross provincial product last year. Our employment rose 5.7%. Seventy-seven thousand new jobs last year. This is the best job creation performance in Canada. Our labor force grew by 4%. And, despite that, our unemployment rate declined from 10 down to 9%. Housing starts totaled almost 39,000 in 1989, an increase of 27% over the year before. Retail sales are still strong: up 10% over 1988, well above the national average of four. [15:02] Rate of incorporations in B.C. are also up about 16% over the previous year. Capital investment, probably the biggest single driver of our economy has also had a significant increase: 24% last year over the year before. Planned capital spending for next year is expected to be double that of Canada's planned capital spending; in other words, when we canvass industrialists about their expansion plans for the coming twelve months, the expectations for B.C. are double the expectations for Canada. I guess the only negative in an economic sense for B.C. last year was this area of external trade. And that's primarily explained by the high value of the dollar and the weakening of some of our commodity prices. The volumes traded are certainly way up. In terms of problem areas, I would say that I'm still very uncomfortable with our B.C. inflation rate. It is now the highest in Canada, it's running at about 5 ½%, Canadian average somewhere down around 4.5, in there somewhere. So, we're starting now to be *the* province that John Crowe worries about when he sets monetary policy for interest rate policy. He points to us now rather than Ontario and says it's because of B.C.'s high inflation rate that we have to keep these high interest rates to slow the economy down.

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I think next year is going to be a good one for us. I think 1990 will have a growth of somewhere around two and half percent, which is pretty good. That will be about double the Canadian growth. Most of the indicators we look at for next year are positive. Commodity prices, particularly in the mineral sector, are showing some late strength in the last month or two. Pulp is still soft, lumber is holding its own at the moment. So we're thinking we're going to have a good year in an economic sense. And I'm confident that when we bring forward the budget in a couple of weeks' time, we once again will have exhibited the kind of fiscal management which has characterized this administration. As Carol has said, we're the only significant province that has balanced its budget and I can tell you that when the premier and I talked about next year's budget, I said to him, "Are you going to ask me to balance it again, Mr. Premier?" And he said, "Well, do you like your job?" (laughter) So I got the message that I've got to work very hard in order to balance the budget a second year. And I can only tell you without letting the cat out of the bag, I am working very hard to that end. Thank you. (applause)

Unidentified speaker: At this time, the minister will field any questions that anyone in the audience may have. So, just raise your hand.

(Unintelligible question)

Mel Couvelier: Well, that's a good question, because one of what we think are the major failings of the assumptions of the federal government is that the reduction in manufacturer sales tax will flow right through the pipeline direct to the consumer. I'm not aware of any time in history when a tax cut at the manufacturer's level is reflected in its entirety at the consumer level. My experience has been that it sticks to the pipeline as it flows through. And that the consequence will be, I suspect, not be any significant drop in consumer prices. There should be, in a perfect world there should be, but there are too many middlemen in the road, each with their own problems, each with their own cost pressures, and each with a rationale to hold onto a little bit of that savings as it passes through. So, manufacturing prices will go down, true, but a seven percent hit at the consumer level, I'm pretty sure is going to result in an increase in consumer prices. Yes, sir?

(Unintelligible question) [20:00]

Mel Couvelier: Well, that's another excellent question. Hindsight is always better, isn't it? And so to some extent I'm sensitive to any suggestion that my comment here is a cheap shot. There may be validity to that. In an abundance of fairness, I think I should concede that before I answer you. If you go back and look at the history of this examination of the need to restructure our tax system, if you go way back, before my time, you will find that there has been a consensus that the manufacturer's sales tax was counterproductive, it was damaging exports, and had developed so many loopholes and rules and regulations that it

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became totally unmanageable. With that perception, the Prime Minister called a series of meetings, to look at how to fix the manufacturer's sales tax. And they met for months, possibly years—I never checked how long this dialogue went on. And they came back and said, "Look it, it would be simpler to get into some kind of a consumption tax, rather than fix the manufacturer's sales tax." With that, the federal bureaucrats seemed to focus their attention entirely upon a new tax system, totally new. And it went through evolutions. It, first of all, was talked about as a national second—not a second, first one was a straight consumption tax. That was examined, discussed, rejected. Then a national sales tax was discussed, that was one rate for right across the country. And that discussion took months, matter-of-fact took about thirteen months. I became involved in 1986 in those discussions. And that was abandoned as being not practical, given the fact that each province had its own tax base for sales tax. None of them had the same, they were all different. And each of them needing their revenue, so that you couldn't standardize to a base that the federal government would accept. So, national sales tax was rejected and then the value added thing got examined. And, at first blush, it looked like that was something practical. So, the bureaucrats then spent the remaining months developing a value added tax. And the more they studied it and developed rules for proposed regulations, the more unmanageable it appears to be. So, I'd characterize it as one of those group decisions that start off in one direction and after closing off different avenues or roadways wind up going down the road they didn't want to go down in the first place. But the momentum is almost such that we keep marching. And I must admit, that's hindsight. But looking at the problems that we're going to have with GST, given the different tax bases across the country, both provincial and federal, I have to think that those people who first of all thought about changing the manufacturer's sales tax gave up too soon. But it's too late. Yes, ma'am?

(Unintelligible question)

Mel Couvelier: Well, let's see, I'm trying to figure out how to answer you without letting the cat out of the bag here, because I'm not supposed to tell you whether there's any tax changes. The only real estate tax that we presently have in B.C. is something we call the property purchase tax, which is a tax on transfers of property of one percent, two percent on the larger transactions. That tax has now has now been replicated in some other provinces; in other words, given the overheated real estate market that some parts of Canada have had, it has been seen by public policy makers as an appropriate way to give to government a portion of the rising, escalating property values. What have I said? (laughter) I've said that we have tax and that I've got to balance the budget and I noticed Mr. Wilson when he got up and said, "This budget contains no tax increases." [25:06] Really made an impression on me. (laughter) Did I say too much? I'm still trying very hard. Any other questions?

(Unintelligible question)

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Mel Couvelier: I'll try. It's a dynamic process and discussions are taking place almost daily at the staff level. First of all, you should understand that under the Canadian Constitution, the provinces are denied the opportunity to embrace a value added concept. We are only constitutionally allowed to tax the end sale. So, were there to have been a national sales tax with one rate, for example, it could only have been accommodated legally by the provinces renting out their tax roll(??) to the federal government, to get around the constitutional limitations. So, an option is not available to us to totally embrace the federal system without the federal government making some changes in the legislative sense. The problem we've got in B.C. basically is that our provincial tax base is broader than the federal tax base will be. Even though the federal government is going to tax services, haircuts, accounting, legal services, all of those things, even though that whole new tax area is going to be providing revenue, it's still a narrower base that we have in B.C., because in B.C. we tax machinery and equipment inputs, we tax business inputs, and that provides a large amount of our tax revenue. The federal government with their value added approach have exempted business inputs, so the federal government has accomplished a massive tax shift from the corporate sector onto the consumer's shoulders. If you buy my argument that there's no flow through benefit. So, we in B.C., however, do tax business inputs. If we were to embrace the federal base, eliminate taxation on business inputs, and tax haircuts and all of that, we would have to raise our provincial sales tax. A half to three quarters of one percent. So instead of a six percent rate it would six and a half, six and three quarters, to be revenue neutral. So, I can't imagine us being in a fiscal position to embrace the federal base in the short term. There's just too much money involved in that business input tax sector. Amounts to about \$800 million a year to us. So, now the issue becomes then, if you accept that argument, the issue then becomes will we jointly audit? Will we jointly administer? And are there savings to be realized? It's plain from the discussions that I've had with the federal government that they are not about to let the provinces administer their tax. And that only leaves auditing. And they're stealing our auditors at a rapid rate. I told Mr. Wilson Wednesday night, "We've got some truly outstanding civil servants in your provincial government, I'm very proud of so many of them who work long hours and work intelligently and with dedication." Fact of the matter is, they could make themselves \$15-\$20,000 a year more if they go to work for the federal government. And so, the federal government in their advertisements for tax auditors have received a large number of applications from my employees or your employees. I'm a little bit worried that we may not have the staffs between the two governments to have two separate staffs, and in that case, I think the federal government would then have to find some sort of joint cooperation on the auditing side. [30:08] Long-winded explanation, but they're not easy issues to resolve.

You might be interested in this observation. I have said that in my judgment, the history books will record the GST decision as being momentous by virtue of the federal government moving into the provincial tax field. I think that as history writes the event, it will be the intrusion into the provincial tax field. And I think that that has the most

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significant, long-range fiscal effects of our province. In effect, the federal government have said, "We're in a tight fiscal situation and therefore we're going to reduce the transfer payments we give to you for health and education and social services, and, in addition, we're moving into the consumption tax field." Reducing our tax room or flexibility, so that we're in a vice, with both jaws squeezing us. I believe that that will be one of the largest problems facing those responsible Canadians who are worried about the future of our country. Canada is more than dollars and cents, don't misunderstand me. I don't want to make it a dollar and cents issue, confederation. But I just have to point out that they cannot continue to offload their expenditures and intrude into our tax field and expect us to be able to continue providing responsible fiscal management. We can print the stuff and goodness knows I wouldn't want to print the stuff. There are very few options left to Canada, in a fiscal sense. Very few. That's why I have said repeatedly that in my judgment this country must have a meeting of finance ministers, urgently, to look at government expenditure reductions across the board. And that no one government, B.C. included, would not embark on a serious critical examination of spending patterns if we were the only ones doing it. If there is to be a significant attack on public expenditures, it will have to be done by all politicians at the same time. Because you won't find anyone group of politicians with the political nerve to tackle that question alone. And that's why, for the last three years, I have been pleading with Mr. Wilson to call such national meeting. I think Canada is in its fiscal plight, because, frankly, we are providing levels of service that are open-ended with no sense of discipline that we can no longer afford. (applause) It's interesting that Mr. Wilson invited us all to Ottawa Wednesday night to have dinner with him, so I flew the seven thousand miles for this free dinner. (laughter) For the first time, the issue was raised by another province, during our discussion, who said, "I know Mel can't wait to introduce this subject, but I want to tell you, Mr. Wilson, I now agree with him. We must have such a meeting." And then he turned it over to me, so I went at it. For the first time now, we have the majority of provincial governments asking Mr. Wilson to call such a meeting. And for the first time, we have Mr. Wilson thinking seriously about what such an agenda would look like. So I'm very optimistic that within the next few number of months, that first meeting will be held. I kind of wandered off the subject a bit, didn't I? I'm sorry about that. Any other questions? Yes, ma'am?

(Unintelligible question)

Mel Couvelier: Well, it's a good question. [34:59] I guess, by virtue of my background, I'm kind of a cynic when it comes to dealing with Ottawa and I should explain—I retired from my business relatively young and got involved in politics. I became president of the liberal party of B.C. and I spent a lot of time in Ottawa back in the early 70s. And I got to know the process back there, and I wound up quitting, frankly, the party out of anger and frustration out of my inability to get either the B.C. caucus to act as one in dealing with the federal caucus or getting the federal bureaucrats to think seriously about our concerns in Western Canada. And I was totally frustrated and disenchanted with the whole political

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process—it's not a perfect world, darn it, and it bothered me that it wasn't a perfect world. You know, it's just an eternal truth in Canadian politics, if you really believe in representation by population, it will take a number of generations before we have the population levels in B.C. to justify a larger voice in Ottawa. That's just truth. Canadian politics are driven by the heavily populated provinces and that's Ontario and Québec. And it comes about not because they're against us, it comes about because there are more of them than there are of us. And we believe in rep by pop, right? Everyone believes in rep by pop. And so, as a consequence, we need to double our population. (laughter) I'm doing my bit, what about you? (laughter) The proposed senate changes will help, if they come about, but there a lot of cynics who don't believe that central Canada will allow it to come about—changes to how the Senate is managed. But matters will unfold, and we continue to talk, and the federal government continues to have their eyes glaze over when we get onto them. But that's just part of the process, you have to have a generous heart here. Any other questions?

(Unintelligible question)

Mel Couvelier: Hmm, good point. It raises a couple of comments. First of all, the federal environmental process is, in my judgment, another classic case of federal intrusion into provincial jurisdictions. One of the things that bother me about this relationship with Ottawa is that federal politicians are keen to grab a microphone, to express a concern about some new emerging social or human need. And it's great stuff. And, as a consequence, they offer cost share assistance, fifty percent(??) dollars or whatever. And we, promises get trapped into programs. The environmental issue is a classic one. Our pulp mills in B.C. are amongst the cleanest in Canada. I think I'm right when I tell you that seven of the ten worst polluters are in central Canada, in terms of pulp mills. If there is a problem in terms of pollution, in Canada, it exists in central Canada, to a far less extent in B.C. The effect of the federal intrusion on environmental issues has been that hundreds of millions of dollars will have to be invested into upgrading facilities and further environmental reviews into projects that have less of applicability or urgency in B.C. than they do elsewhere in the country. But B.C. is the one that's going to get caught in that slow down. And I think unjustly. We know our problems, we are addressing them. We've got a million-dollar fine provision in place. We have shut down two mills in Quesnel(??) for a number of days just a month or two ago. [40:03] We're getting tough and they're getting the message. But that federal intrusion into this whole environmental area is going to have economic problems for Canada, an intensive slowing down of applications. And so I was kind of pleased when I saw the federal minister's comments in the Globe this morning, where he indicated some sensitivity to the negative impact he's having across this country with his intrusion into those issues. There is no doubt that the environmental concerns are the number one issue in the world today. Certainly the number one issue in British Columbia. Any public opinion poll we take, it's clearly the issue. And we as a government must show sensitivity and ability to master the issue if we expect to win reelection. We all are well aware of that. But we are making some changes,

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doing some things in that area, which, I think, speak for themselves. Let me ask you, we still haven't finished developing our budget. Let me ask you this question: the biggest single environment problem we have in urban B.C. today by far is disposable diapers. It's polluting our landfills, it's fouling our water supplies, it's getting into the ground mass that will present problems for generations to come. How are we going to stop people from using them? Would you tax them? Would you? (laughter) When we talk about environmental problems, no one thinks that we're the problem, our automobiles, our convenience products. They are the problem, by far, a hundred times more the problem than industrial mills in B.C. We don't have much industry in B.C. Our pulp mills are about the basic polluters and there aren't that many of them, or there is anything like the dimension of pollution caused by ourselves and our habits. And what is the government's responsibility then, to mobilize or motivate people to act more responsibly. Give me the answer, I mean, I'd like to know.

(Unintelligible speaking)

Mel Couvelier: Yep, I'm sorry I didn't deal with natural gas, I got off on diapers. But, you're right, we have huge natural gas reserves in B.C., enough to last for at least a hundred and fifty years, maybe even further than that. So does the rest of the world, however, there are bounteous natural gas reserves around the world. We had a vehicle conversion program in concert with the federal government in place for a number of years to convert gasoline to propane or natural gas. It was not effective. The last year we had it in place was two years ago, there were only six hundred vehicles, if I remember rightly, in B.C. that took advantage of it. The failure to convert to propane or natural gas does not appear to be something that government by virtue of its programs can hasten or expedite. The program we had in place, only attracted six hundred converters, had the effect of something like a year and a half pay back. And even at a year and a half pay back, people were not switching. So, I'm not sure that government-inspired natural gas programs are, of themselves, going to do much for the pollution problem. We're putting the pipeline onto Vancouver Island to clean up those seven pulp mills along the route of the pipeline, that's an environmental issue, putting Vancouver on the pipeline. [45:00] That's about the only environmental issue surrounding natural gas that comes to my mind when we talk about it, but you're quite right, it will look after our energy needs for a long time to come. Your children will still be utilizing the natural gas reserves. Your grandchildren will be utilizing natural gas reserves we have in B.C.

(Unintelligible speaking)

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Mel Couvelier: That's a fair point, but it's not always all bad. Do you know that we have in British Columbia world-class, leading-edge technology as it relates to fuel cell development. And that we have attracted our academic world experts in this area, so that we see ourselves continuing to develop that technology. And I think it holds bright promise. The experts tell us that the hydrogen fuel cell will be the energy source of the future. And we in British Columbia, by virtue of the firms we have working on it and the people we've attracted to our province with expertise in it, have become and have acquired the critical mass, of anyplace else in the world, that has the potential to deliver that as an economic alternative. Very exciting. Hydrogen fuel cells.

(Unintelligible speaking)

(Laughter and clapping)

Unidentified speaker: We're just running out of time, so on behalf of all of us here at Trinity Western University and the International Business and Economic Student Association, we just want to extend our appreciation to Mel for coming out and taking this time out of his busy schedule to give us this information that I'm sure is very valuable to us and we learned a lot today, so thank you.

(Clapping)

Unidentified speaker: On behalf of the International Business and Economic Student's Association and Trinity Western University, we thank you for coming out and making this a real success. We also thank Carol Gran for coming out today and Mayor _____(??) for spending this time with us. Thank you very much for coming.

(Tape goes silent and picks up with an unrelated lecture)

Rev. Bernice Gerard: —scriptures and religious truths in general. He talked to women in public. The Samaritan woman at the well said to him, "How is it that you being a Jew ask of me who am a woman of Samaria? You asked for water from me? I'm a woman from Samaria." For the Jews have no dealings with Samaritans. But she did say, how is it you asked me, a woman? And when the disciples returned, they said, "How is it that you talked to her? What do you want from her?" Because rabbis didn't speak to women in public. The overwhelmingly negative attitude of the rabbis toward women is entirely missing in Jesus. He and the woman discussed the most profound spiritual truths. To her, Jesus said, "God is a spirit and they that worship him must worship him in spirit and in truth." And finally he revealed himself as Messiah and received a ready acceptance from

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the woman. Women became disciples of Jesus, not only in the sense of hearing him but in literally going with him in his travels and ministering to him. This must have been a very scandalous sight, to see this rabbi with this troop of women. A number of women, married and unmarried, were regular followers of Jesus, and the Scripture references Luke 8:1-3, "It came to pass that he went throughout every city and village preaching and glad tidings of the kingdom of God and the twelve were with him and certain women, which had been healed of evil spirits and infirmities." And then it lists these women. There were also a considerable number of women who went all the way to Calvary's mountain and they are mentioned in Mark 15: "There were also women looking on a far-off, among whom were Mary Magdalene, Mary the mother of James the less and of Joseph and Salome." Within the context of women being disciples and ministers of the good news, Jesus quite deliberately broke another custom disadvantageous to women. [5:05] It couldn't have been anything but deliberate, that Jesus' first appearance after his resurrection was to a woman, who was then commissioned by him to bear witness of the risen Jesus to the eleven. In typical male Palestinian style, the eleven refused to believe the woman, since according to Judaic law, women and children were not considered competent to bear legal witness. And I actually had it reported to me that on one particular day a minister was holding forth someone in the valley out here—I'm sure he's not here this morning—and he preached on that and he said, "Well, it's just too bad that he hadn't given that news to a man." And I feel that those kind of remarks should never happen in the pulpit.

There are three other resurrections that touch on women. He raised Jairus' daughter. A second resurrection performed was that of the only son of the widow of Nain, and Jesus felt for this woman. He raised her son. The third was that of Lazarus, at the request of his sisters, Mary and Martha. It's a beautiful lot of information that for some reason we seem to have passed over so often. His attitude toward the sinful woman was marvelous. And it highlights the good news of the gospel. He had a tremendous understanding for this woman of ill-repute at the Pharisees' house. When she began washing Jesus' feet with her tears, wiping them with her hair and even kissing his feet as she anointed them with precious ointment, the skeptical Pharisees saw her as an evil, sexual creature. The Pharisee said to himself, "If this man were a prophet, he would know who this woman is who is touching him, for she is the sinner." And Jesus deliberately refused to view the woman as a sex object. Instead, he rebuked the Pharisee and ministered to her as a person. Jesus then addressed her even though it was not proper to speak to a woman in public, especially women of poor reputation. And he said, "Your sins are forgiven you. Go in peace." And similarly, attaching the lot of women in the face of prevailing taboos is the especially moving account of the woman who had the issue of blood for twelve years. In her reluctance to come to public attention, she said to herself, "If I could but touch the hem of his garment, I shall be well." And Mark records in straightway the fountain of her blood was dried up and she felt in her body that she was healed of the plague. And that's wonderful. But why did Jesus, knowing in himself that the power had gone out of him, turn to the crowd and say, "Who touched me?" Her shyness was not

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because she came from a poor family of the lower-class, because she spent all the money she had trying to get her healing. It was probably her shyness, probably because for twelve years as a woman with a flow of blood, she was constantly ritually unclean. Which not only made her incapable of participating in any temple worship and made her in some way displeasing to God, but also rendered anyone and anything she touched or anybody that touched her ritually unclean. The sense of degradation and contagion that her womanly weakness worked upon her over those twelve years was no doubt oppressive in the extreme. It seems clear that Jesus wanted to call attention to the fact that he didn't shrink from ritual uncleanness incurred by touching the woman. And by immediate implication, he rejected this taboo. He came to set us free. To be whole, to experience our total personhood. And there's so much more that could be said on that.

In the book, the small book, and I'm just mentioning that because some of you may have a special interest. I have just been asked hundreds of questions by women and I have met lots and lots of young women who desired a fuller expression of their Christian service. I want to encourage people. The man I mentioned yesterday, Charles Tremblay(??), deals with what I think is the very difficult question and the answer to the question biblically is very important. Certainly if women have been silenced by God, there should be no women pastors, teachers, missionaries, evangelists. [10:00] We can't shut them down here and send them overseas. We just need to shut them down, somebody said keeping women quiet is a very good idea, but nobody has been able to manage it totally, satisfactorily. The basic problem stems from 1st Corinthians 14:34-35, "Let the women keep silence in the churches, for it is not permitted for them to speak for they are commanded to be under obedience, as says the law. And if they will learn anything let them ask their husbands at home, for it's a shame for women to speak in the church." And so Tremblay(??) asks in his chapter, who said women should be silent? Why can't they speak? Why is it shameful? Must they be silent only in the church and, if so, why? Should they be silent at all times or only on special occasions? Does this include praying, singing, praising and prophesying? Is this restriction binding upon all women for all time or was it a local thing? Where and what is the law that underscores this restriction? And I don't have time or is it not appropriate to spend my precious minutes on that one question, but that is a really good question. And you notice I continued speaking so apparently he didn't quote the Bible so powerfully that I felt my conscious was saying desist.

I wanted to give you about four points that I think might be of interest to some of you. In approaching scripture with regard to women's roles, four principles should be kept in mind. I have selected four, in any case. First of all, all the relevant scriptures should be used. Too long the church so very often has looked only at those texts which suggest on the surface, at least, the inferiority of women, while neglecting to give equal cognizance to such female friendly verses as those that present the equality principle. Galatians 3:28, "There's neither Jew nor Greek, there's neither bond nor free, there's neither male nor female, for we are all one in Christ." There's also a neglected reciprocity principle, 1st

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Corinthians 7:3-5: "Let the husband render unto his wife her due and likewise the wife unto her husband. The wife has not power of her own body but the husband, and likewise the husband has not power of his body but the wife. Defraud you not one another except it be with consent for a time that you may give yourselves to fasting and prayer and come together again that Satan tempt you not you not for your inconstancy." A second principle is that close attention should be paid to the historical context. And actually, in his excellent statement of the first day this week, Dr. Craig Broyles made reference to some of these things and I underscore them again. A second principle is that close attention must be paid to historical context. In the Tremblay (??) discussion, of 1st Corinthians 14:34-35 and another one, when special attention is given to the historical context the real meaning of the text comes out. The inferior status of women in Palestine according to the oral law is a factor of great significance in helping to sort the positive from the negative impact for today. A third principal which figures large in my judgment on ever so many important matters is that what is universal and eternal must be distinguished from the particular and time bound. The theological principle must be taken seriously, but there are other pieces of advice which the church, in general, ignores quite happily. For example, drink no longer water but use a little wine for your stomach's sake in your frequent infirmities. And we don't notice any whiskey over there in the cafeteria. Greet all the brethren with a holy kiss, and today this is not done too much. Greet all the brethren with a holy kiss is not compelling today's Christians men to engage in regular demonstrations of obedience. Contrariwise, a woman who prays or prophesies with her head uncovered dishonors her head and that's a verse which is in some modern Christian communities laid on women with such seriousness as to suggest some great eternal principle at stake. I've been in territories preaching where God have mercy on the woman who didn't wear her bonnet. And personally, I hate bonnets. Whatever may have been Paul's intention in his declaration of equality of personhood in Galatians 3, the truth is that on the level of practical application, he didn't succeed in attaining his own ideal. [15:07] There's neither Jew nor Greek, there's neither bond nor free, there's neither male nor female, for you are all one in Christ. He presents three pairs of individuals under the law and sin, having unequal relationships, but now in Christ they have equality of personhood. We don't question that Paul demonstrated by his life and ministry that the old distinction between Jew and Gentile were no longer valid. Nevertheless, the one principle that Paul is true to his teaching in the large part regarding slaves and freemen, men and women he fails to carry through successfully on the last two. In the case of Onesimus, he pleads that he not be seen just as a runaway slave but that he be seen as a beloved brother, a son in the gospel. And the effect is to bring Onesimus up and put him in the fraternity of a believer. But he didn't change slavery, in fact there's no argument there that slavery should be done away, but who would argue for slavery today? Certainly none of us. However, with regard to women, we do have a parallel: women generally have not yet actualized their freedom, which Jesus purchased at such great cost. We have some catching up to do in that department. And, finally, as to hermeneutical principles, the fourth is that Jesus Christ must be the starting point. And that brings us back to where Dr. Bromley(??) was the very first day. Passive irresponsibility on the part of women is

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in contravention of his revolutionary goals, as is prideful domination on the part of men. If we dare to call ourselves his disciple, we shouldn't ignore his actions and his words, and women can play the role of the coy little female when she's in the presence of her big, handsome, strong hero really knows nothing about nothing. And that is not the way the Bible lays on the responsibility. We have a responsibility to be real people and especially with respect to our discipleship. Another significant influence on my expectation for women is that on the day of Pentecost, the word came forth. "In the last days I will pour out my spirit on all flesh." And, in fact, it's so clear that women are included, especially young women. That puts you gals into it. "Your young men shall see visions, your daughters will prophesy." And then it's repeated, "I will endue even my slaves, both men and women with a portion of my spirit and they shall prophesy." One of the men who came asking for help for his leprosy mission said, "Jesus said heal the sick, cleanse the lepers; he mentioned the lepers because he didn't want them left out." And I believe that the women are in the Acts 2 passage because God didn't intend that we should be silent or robbed of the opportunity for leadership. And, to me, this is a university audience, it's pitiful that women have been rendered powerless in the decision-making processes of so many of the church bodies and speechless in the public services of their church by those who are often manifesting not a liberating, anointed view of what the Holy Spirit is doing through men and women, but an unreasonable devotion to their own sex as though there's something so specially holy, that male chauvinism should parade itself as something godly, cloaking itself in Bible verses, with intents to silence half the human race, seems to me to be a tragedy. And I can tell you that Pastor Young E. Choi(??) in Korea who has what I think is the largest church in the world has two thirds of his cell group women. And he had to have a revelation of some kind, that God had to send him a telegram, maybe hit him over the head with a telephone pole or something, because he said, "No, Lord, I can't do that, this is North Korea." But what a successful ministry the women have had and they are submitted and they do faithfully serve and they are not destructive to the work of the Lord. So, I say the women should be saying thank you Lord, thank you Lord.

Now, I've had many people say to me, how do I get active? And they seek a kind of ministerial service as women. [20:00] Well, I say if you have no burden for souls here at home, you're not going to be transformed into a Catherine Beauvais(??) by moving to another city. But I want to urge that as Christian believers—in some ways, I've been a little unorganized here, and I don't want to be misunderstood. We must resist leaning on the arm of flesh, and be careful to have a good spirit before God. The Lord said he'd pour out his Spirit, calling certain people. And I think that if you have the burden in your heart to win souls, to be of some special service in the Master's kingdom, the key is to keep one's eyes on Jesus, to keep a proper and good spirit before God, because he wants you to develop your personhood, to be fully yourself, fully alive and living it to the glory of God. Bless you. (Applause)

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Unidentified speaker: I'd like to thank Reverend Bernice Gerard for being with us for two days to address the role of women in ministry. And, tomorrow, there's a praise chapel here at eleven o'clock. Thank you, Reverend Gerard.

[21:20]

[End Side B]