

*The Budget*

I would ask the hon. minister where those cost estimates are and why they are not part of the projected costs for the government.

**Mr. Collenette:** Madam Speaker, the cancellation costs for the EH-101 will be borne in the overall budget rather than in the general budget revenues, thankfully not out of the defence revenues. The President of the Treasury Board perhaps could address that when he tables the estimates and it will be very clear.

The other question was what would we do to replace the EH-101s. If the defence review believes that we should have this capability, and I assume it will because we need a search and rescue craft, the old Sea Kings will be okay until the end of the century, but they will have to be replaced.

Obviously their replacement will have to come out of this drastically reduced budget. Not only did we cut \$7 billion yesterday, added to the \$14 billion the Conservatives had cut, but out of that we have to fund ongoing operations and also new equipment purchases such as a potential replacement, probably off the shelf, for the Sea King helicopters some years in the future.

[Translation]

**Mrs. Francine Lalonde (Mercier):** Madam Speaker, in the House of Commons of Canada, February 22, 1994 will remain the day of broken promises and betrayed hopes. A number of Quebecers and many Canadians believed the leader of the Liberal Party when he promised jobs, jobs, jobs. Unfortunately for them, it was only a flashing slogan, but nevertheless an election campaign slogan.

Broken promises, betrayed hopes by a party that promised to break with the Conservative policies and management, but whose budget is blatantly in line with and even reinforces the financial, fiscal, economic and social policies of the previous government.

The budget speech shows clearly that this government does not have the slightest political will to address unemployment. It does not have any employment policy except a few devices such as the infrastructure program, which will only mean about 15,000 non permanent jobs for all of Quebec for two years. Even worse, instead of addressing unemployment, this government is attacking the unemployed and the most vulnerable people in our society. Indeed, the Minister of Finance immediately announced, without any embarrassment, that he intends to cut social programs in order to collect more than \$ 7.5 billion by 1996-97.

Let us look at these points one by one. On employment, not only does the government not have an employment policy, but it has seriously harmed employment.

• (1745)

It must be pointed out that this government, as early as January, increased unemployment insurance premium rates, thus adding a further \$800 million to the tax burden of businesses and workers. The finance minister went so far as to recognize, as the Bloc Quebecois had maintained on several occasions, that this kind of payroll tax harms employment and businesses which are more labour-intensive than technology-driven.

Make no mistake about it, even though the minister recognized that such a tax was bad for employment and businesses, he has not reduced it yet. He has maintained it for the remainder of 1994. It is only next year, when it will have taken \$800 million from workers and businesses, that he will bring it back to its 1993 level. He will do so, not only when it will have produced \$800 million, but also after benefits owed to workers will have been reduced.

Therefore, such a measure compounds non-productive decisions which, far from helping the employment situation, make it worse. It is no wonder that the finance minister is forecasting in his budget that unemployment rates will only drop from 11.2 per cent in 1993, to 10.8 per cent in 1995. We know that Ms. Campbell paid dearly for similar comments she made early in her campaign. They are taboo during an election campaign.

Let us talk about unemployment insurance. According to the minister's projections, it is more than \$5 billion he will save in that area. Let us see what he is planning and who will suffer. By increasing the minimum number of weeks a person must work to qualify for UI, especially the first time around, one will have to work 40 weeks to be entitled to 20 weeks of UI; by reducing the duration of benefits, the finance minister is pushing many people, especially in areas already economically depressed and those who are already experiencing major difficulties, on welfare. In so doing, the minister is passing the buck to the provinces, since there will be no jobs. He is making the poor poorer.

This flies in the face of the official discourse to the effect that we must bridge the ever widening gap between social classes and their income discrepancies. On the other hand, the finance minister proudly announces special measures in favour of the least fortunate members of our society. He is proud to say for instance that individuals with a weekly income of \$390 who support dependants would receive 60 per cent of the average business income. But these individuals are already in a position such that they will not be receiving more than \$234 a week in benefits. He stated that the benefit rate would increase to 60 per cent, but see under what conditions. This is important. It has not been emphasized yet.

Let us not forget that, in Quebec and probably other provinces as well, social assistance services have reported cases of single mothers who have suffered humiliation as their private lives were brought under scrutiny because they did not qualify for