

*Oral Questions**[English]*

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Finance. In his budget speech earlier this week the minister talked about a substantial peace dividend for Canadians and said “defence spending will be cut”.

Today the estimates show that rather than cut, the defence budget will increase next year. Can the minister explain why his budget speech tried to fool Canadians and will he make real defence cuts and use the money to get people back to work in this country?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): I think I have to explain to the hon. member how the estimates work. He will recall that we made projections for this year with a deficit number. This was based on a certain projection of growth in various departments. It is from that base that we are cutting the expenditure and not from some other base that the hon. member has in mind.

Mr. Steven W. Langdon (Essex—Windsor): In other words, a cut is not a cut in this case. It is an increase that is just a little bit slower. Such nonsense.

[Translation]

My supplementary question is for the minister. The case of the Meme breast implant clearly shows that we cannot count on companies to report a defective product. The estimates show a \$36 million cut in the Health Protection Branch. How can the minister justify taking money from a branch or division which recent events have shown is so necessary for Canadians' health?

Hon. Gilles Loiselle (President of the Treasury Board and Minister of State (Finance)): Mr. Speaker, I will check the figure that the hon. member put forward. Again I believe that all the cuts or increases in the government's budget are explained in full in the supplementary budget. The hon. member has a perfect right to disagree. Everyone would want us to spend more on everything. Unfortunately it is not possible to do so. We must make adjustments within our available resources and that is what happened in this case.

• (1440)

*[English]***UNEMPLOYMENT**

Mrs. Christine Stewart (Northumberland): Mr. Speaker, my question is for the Minister of Finance.

On Tuesday of this week 70 employees were permanently laid off at the GE plastics manufacturing plant in Cobourg. Yesterday, Nestlé foods announced the permanent lay-off of 130 employees at its Stouffers plant in Trenton. They join a growing list of thousands more in Northumberland.

I would like to ask the minister what specific programs are in the minister's budget to provide for these unemployed workers.

Hon. Michael Wilson (Minister of Industry, Science and Technology and Minister for International Trade): Mr. Speaker, I think if my hon. friend looks at the budget she will see that there is a package of elements there from a reduction in the manufacturing income tax, the increase in the capital cost allowance, the change in the withholding tax which is very helpful to companies like Nestlé which want to continue to employ a number of workers in her riding, as well as the changes to the large corporations tax that were announced last week and the changes to the research and development tax credit.

All of these proposals together are designed to make companies more competitive so that they can compete against other countries for business and in that way maintain and increase employment in their companies. There is a very clear objective in the budget to do exactly what she is looking for, and that is to create jobs and maintain the competitiveness of Canadian companies.

Mrs. Christine Stewart (Northumberland): Mr. Speaker, I challenge the reply that states that these programs are creating jobs. They just are not.

Two more years of anticipated unemployment at current levels is totally unacceptable. A caring society turns with special attention sacrificing the well-being of the rich and powerful to assist the disadvantaged. Family violence and child poverty are increasing with unemployment at enormous human and social costs to this country. The budget is seriously deficient.