

*The Budget*

on additional cuts of 15 per cent, which would put the National Defence budget at \$10 billion as of the first year.

I question the federal government's strategy, since additional cuts could have been made in certain budget items in the Department of National Defence, including capital expenditures, materiel and new equipment purchasing policy, the armed forces organization and, finally, program management.

For the same three year period, the Bloc Québécois proposed cuts of \$4.8 billion—three times the government's figure. Unfortunately, the federal government preferred to slash transfer payments to the provinces and cut the federal public service this year.

In this regard, I would like to recall the commitment the Liberal Party of Canada made in its famous red book, which it did not keep. It said that, once in power, it would set up a defence conversion program that would have attractive spinoffs for private enterprise. This was their promise.

What did the budget say about defence industry conversion? Not one word—nothing. For the past 15 years, the federal government and the Department of National Defence have failed in their role of equitable allocators of military expenditures for Quebec.

In a study for the École nationale d'administration publique, made public in February, the author revealed a shortfall of \$650 million a year for Quebec.

The situation is very clear. Unfair treatment in the allocation of military expenditures has had disastrous consequences for a number of areas of economic activity in Quebec. Although Quebec contributes 25.4 per cent of the budget for national defence, it gets back a meagre 17 per cent in military spending. It has been the same old story for the last 15 years. This very unfavourable distribution continues to cost Quebec jobs and investment dollars.

Quebec is even worse off when it comes to the funds that the Department of National Defence allocates for research and development.

• (1635)

In 1990–91, Quebec received only 12.45 per cent of this spending—12.45 compared with the 73 per cent that went to Ontario. The situation has not changed since then. In addition, francophones have great difficulty rising through the ranks of the Canadian armed forces. While francophones occupy between 22 and 29 per cent of the lower-ranking positions, they occupy only 10 to 13 per cent of the higher ranks, according to the latest statistics. It is not difficult for francophones to enlist in the forces, but it is very difficult for them to become generals. It always has been and still is.

In 1994, the Minister of National Defence took away the country's only French-language military college, the military

college in Saint-Jean. What a decision! Once again, the federal Minister of Finance is asking Quebec to do its share in his budget. The government is closing the military base at Saint-Hubert. Over 600 people will lose their jobs. It is cutting another 285 jobs on the Bagotville base. Before the cuts, less than 15 per cent of all federal military facilities were located in Quebec. What is left? Not much.

What should we tell taxpayers in Quebec who feel that the federal government costs them too much money for the return they get on their investment? If Quebec were to patriate the power to tax and to spend—about \$30 billion is in question here—we would be able to set up a system which really is fair and we would make our own decisions. That is how Quebec will best be able to develop and grow.

[English]

**Mr. John Bryden (Hamilton—Wentworth, Lib.):** Mr. Speaker, I thank my colleague for his remarks. They were spoken with such passion they left me almost breathless.

I would like to put a question to my colleague which will take him a little beyond his remarks. It is probably well known to him as it is to many members in this House that I have an interest in special interest groups.

The budget did introduce for the first time the concept that new guidelines would be brought in for the funding of these special interest groups which receive direct grants from government with very little accountability for what are often advocacy groups.

Does he feel this is an area of reform for the government applicable to Quebec? Should groups which have these special agendas see their funding cut as we hope to see elsewhere in the country?

[Translation]

**Mr. Leroux (Shefford):** Mr. Speaker, I wish to thank my colleague for his question. All I can say is that if we look at the budget as a whole, the federal government faced a \$37 billion or \$38 billion deficit last year, compared with a \$33 billion deficit forecast for this year. The government is saving money on the backs of the provinces. Since the provinces will have less money, they will have to cut spending for post-secondary education, health care and other services under provincial jurisdiction. That, in my opinion, is tragic.

I would also like to go back to the closure of the military college in Saint-Jean. I think that this is an appalling decision. It is appalling for Canada, because Canada has always maintained that it is a bilingual country and tried to give that impression. However, by closing the military college in Saint-Jean—as we can see, enrolment is already way down, a drop of 40 to 60 per cent this year—the government is simply telling us that, at the end of the day, bilingualism is not important.