

*Supply*

Here you have a case of where the cuts are counterproductive. That might be true in several areas as well. Notwithstanding the fact that obviously money has to be saved, is it not true that intelligence has to be put into the deficit reduction exercise so that in those areas where cuts become counterproductive, as is the case in the arts and the cultural industry, the government should not proceed with cuts in those areas?

**Mr. Redway:** Mr. Speaker, certainly intelligence has to be used in cutting. Intelligence has to be used in the entire fiscal policy.

I believe that we need and Canadians want us to be producing some more jobs for them as well.

• (1240)

Fortunately some aspects of this budget can produce jobs. I would point out to the hon. member that in the budget the Minister of Finance has indicated there are to be tax changes to improve the treatment for rapidly depreciating new equipment, help business access new technologies and improve incentives for small innovative companies. He has also announced further infrastructure projects which will create another 15,000 person-years of employment.

All of those things are extremely important and necessary. The one big problem with the budget that everybody has focused on is that the forecasts may be suspect because in the past the forecasts were inaccurate. If we look at the forecast last year and compare it with the actual from last year, we will find that the actual program spending was \$1 billion less than forecast last year. The actual money spent on paying interest on the national debt was \$700 million less than was estimated in last year's budget.

The big problem was the whole revenue side of the picture that was down by some \$9 billion. We have to get people working again so we can turn them into taxpayers and make sure we address that side of the equation.

**Mr. de Jong:** Mr. Speaker, I rise on a point of order. The hon. member used the occasion not to answer my question but to give the last part of his speech.

**The Acting Speaker (Mr. DeBlois):** It is not a point of order.

**Mr. Dennis Mills (Broadview—Greenwood):** Mr. Speaker, I listened to the member attentively. He shares part of the community with me in Toronto and I want to ask him a specific question related to the General Motors van plant in Scarborough where many of his constituents and my constituents work.

This is the largest shutdown ever in our country of an automotive factory that has been making money. This factory made close to \$2.2 billion in the last 10 years according to General Motors' numbers. It says it is one of the most efficient plants. Thirty-five hundred people are going to be out of work this Thursday. These men and women are skilled craftsmen which means they create spin-off jobs as well from suppliers that bring auto parts to this plant assembly.

They are going to be on unemployment insurance and eventually welfare. In one year the cost to the treasury just in disbursements for unemployment insurance and welfare not to mention health care costs and other costs will be anywhere from \$500 million to \$700 million.

Would it not be a better investment to sit down with General Motors and assist in bringing some newer technology to that plant? I understand from the Canadian auto workers that for approximately \$200 million that plant could almost be state of the art. There is demand for the product and those people could go on working, paying taxes, supporting the restaurants, supporting the retailers and all the other things that happen in a community.

To my way of thinking it is better to spend \$200 million of taxpayers' money on a high-tech plant that will keep people working, rather than shutting it down and paying out \$700 million a year on UI. It all has to be paid by the same taxpayer.

Would the member address that, please?

**Mr. Redway:** Mr. Speaker, I certainly have the greatest sympathy for those who are affected by the shutdown of the van plant in Scarborough, no question about it.

• (1245)

It is not just those workers affected by this whom I have the greatest sympathy for. The hon. member shares a community with me and knows it had a terrible time in this recession. We have lost an enormous number of businesses and jobs. It is a general problem that relates