

The Budget—Mr. Whittaker

Mr. Whittaker: Mr. Speaker, I am very pleased to be given the opportunity to reply. What I have heard over the last six days of budget debate involves some confusion on the government benches as opposed to those of the Opposition.

Perhaps my friend has missed the point of some of what was said not only by myself but by some of the other Members on this side of the House with respect to tourism and small business.

I have spoken over the last week and a half with many of the people involved in the tourism and small business industries in my area. I am not getting the same type of feedback as that which the Hon. Members gives the House. I am little surprised that he would tell me that, given the fact that throughout the course of time and through the lobby by the Canadian Federation of Independent Business Mr. Bulloch was constantly warning the Government about its plan for a value added tax and what it would do to small business.

In meeting with the hospitality industry people in my area just last week, a number of concerns were raised including unemployment insurance and how that was going to affect small business people. Concerns were raised over the lack of government interest in the tourism industry. On the one hand under Bill C-3 it would say that it was going to set up all these wonderful things for tourism. Then, a week later in the Budget, it slashed \$10 million from the tourism promotion part of the Budget. Those are some of the concerns about which the people in my area have talked to me.

In speaking about the claw-back provision, I make very clear that I understand it. I want to ensure that the government benches understand. Government Members have set it at \$50,000 this year, but what is going to happen next year? They have now booted the door open to universality. They have set their toe in and they are intending, I would submit, to blast it wide open with that one little thrust, saying that it really does not count because it is the higher income earners we are getting at. Nonsense; it is part of a larger agenda of harmonization.

They are going to knock it down as the Government, \$40,000 in years to come or \$10,000? What is the limit going to be? Is it now going to become a total phase out of our social security programs? It is only a start. It is that possibility to which we are objecting, and we are flagging

it so that the people of Canada will know that it is the start of what is to come.

Mr. Harb: I have a comment, Mr. Speaker. It seems that all sides of the House, speaker after speaker, have acknowledged the fact that we do have a deficit and we do have to address it.

The difference is how we address the issue of the deficit. The Liberal Party believes that to address the deficit we have to concentrate on increased productivity. I would like to bring to the attention of the Members of the House that Canada is one of the leading countries when it comes to export of raw material. Unfortunately we are nowhere when it comes to areas of high technology areas, or when it comes to many other areas such as our investment in education, illiteracy and so on. While we are one of the largest importers of wood, we still import saws from Italy in order to cut wood. We have a very strong mining industry and we ship to Japan, Hong Kong and elsewhere, we still import the machinery in order to dig and do such things

We have spoken about the tourism industry. Yes, it is a service industry. Unfortunately in this country, we still seem to be putting a lot of emphasis on the service sector rather than concentrating on the manufacturing end of it.

A Japanese speaker who was in this country a couple of weeks ago said that Canada, in order to be on the leading edge in every area, would have to concentrate more on manufacturing. There is no way that we can get out of this situation, unless we spend more money in the area of research and development and education and make manufacturing a priority of this country.

Mr. Whittaker: Mr. Speaker, I agree totally. Valued added products must be given priority within Canada, across the nation. We can no longer accept that we are primary industry people who ship out our products for manufacture. We have to look further into what we are doing and encourage that type of investment.

Part of the education and research funds that we have spoken about in other Bills are so important that they bring back enormous dividends to our country which we can certainly use in the future in the value added areas of our manufacturing, as well as in making Canada known throughout the world as not only a good research