

Oral Questions

taxes are collected from Canadians and Canadian businesses doing business overseas. Third, measures involved with the family trust take place immediately. The other ones on the capital tax side take place in 1999.

• (1120)

[Translation]

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, after getting themselves elected on a promise to create jobs and restore hope, the Liberals have literally broken their promises in the 1995 budget and, like the Tories, they feel that the unemployment problem will only be solved by eliminating the deficit. There are no jobs in the finance minister's two small clouds.

Since we still need over 800,000 jobs in Canada to reach the pre-recession employment rate, how can the Acting Prime Minister justify the total lack of active job creation measures in the budget?

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, again the opposition has misinterpreted the budget. We announced measures starting last year with the infrastructure program.

We have been very aggressive in creating jobs. With the better climate we have provided in Canada over 443,000 jobs have been created. I am sure the hon. member would like to read the red book more carefully than he has in the past. On page 16 and again on page 19 we emphasized the double track our new government had to take. That is to say, we had to create jobs and reaffirm our commitment to Canadians and at the same time we had to begin the deficit reduction program.

[Translation]

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, given the current employment situation, how can the Acting Prime Minister justify the fact that the only program introduced to stimulate employment, the infrastructure program, has been extended until just before the next election campaign, thus cutting federal job creation funds by \$200 million this year?

[English]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, one of the prime reasons we have extended the infrastructure program and pushed \$200 million of work into the future is the very sensitive issue of environmental assessment. I am sure there is no member in the House of Commons who would wish us to ignore environmental assessments and to push projects through without their being properly evaluated. As these projects are properly evaluated, they will come onstream as originally planned.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in spite of all the spin doctors and all the puff pieces, there is growing evidence that the financial markets have not been fooled by the budget. This week the Canadian dollar has fallen steadily and dramatically. Interest rates have risen on all forms of Canadian government securities.

Today the *Globe and Mail* says that the finance minister calls the cuts good politics. Will the minister tell us why the government has chosen good politics when the situation requires good economics?

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, if the opposition member would care to read through both the financial press and the general public press and look at the opinion polls such as Angus Reid presented this week, he will see that the budget has been accepted widely by Canadians as well as by financial experts. In fact, only yesterday Standard and Poor's reaffirmed our AAA rating. We are very proud of the reception we are getting.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, Moody's, Standard and Poor's, and other financial firms continue to provide warnings about the financial situation of the Government of Canada. They continue to evaluate our securities.

Yesterday, Standard and Poor's lowered its outlook on our foreign currency debt from negative to stable, saying that it reflects the possibility of a downgrade should the slow pace of deficit reduction fail to ease the government's debt and interest rate burdens over the next few years. The budget does not get the job done.

Will the minister admit that the cuts in the budget are inadequate to control the growth in debt and interest payments?

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, it is just the opposite. We all remain very concerned about the debt. That is why we took the dramatic actions we did on Monday. I want to remind the member that Standard and Poor's addressed itself to the 3 per cent foreign currency debt. On the other 97 per cent it gave a AAA.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the government knows the cuts are inadequate. Yesterday in Toronto when the Minister of Finance was asked about additional cuts to the CBC, he joked: "Is this being televised? Because if it is, it is a very different answer".

What additional cuts are being planned to deal with the failure of the budget? Cuts to the CBC, cuts to old age security, cuts to unemployment insurance, cuts to health care. Why will the government not tell Canadians about these cuts in public and on camera?