

*Borrowing Authority*

Finally, the Minister threw out the figure of 677,000 jobs having been created. How does he explain that there are still 1.25 million Canadians having trouble finding just one job? Unemployment is not likely to abate under the Government. In January this year unemployment was 9.7 per cent. After four years of economic recovery, this is not a result of which to be proud. Unemployment levels have barely edged down from their mid-recession high of 11 per cent. According to the forecasts of the Minister of Finance, unemployment will still be at an unacceptable 9 per cent by the end of this year.

The Government would appear to be satisfied with that because in its spending Estimates tabled on March 2 we see that it plans to cut its funding for job-creation by 12 per cent, from \$1.8 billion to \$1.6 billion. To be fair, not all job-creation funds are being cut. The Estimates indicate that employment programs for welfare recipients and refugees will receive some additional support.

However, I remind the Government of one very important thing which it seems to overlook. It is the relationship between education and employability. Education and training are the keys to success in the job market. This was recognized by the Forget Commission which was appointed by the Government to review the unemployment insurance system. In its report, the commission said that: "Canada must take immediate steps to put in place the ingredients essential for bringing about full employment". Among those ingredients the commission listed education, skills development and training. The commission report went on to say: "Failure to respond to this challenge will result in lost opportunities for all Canadians and will doom the least successful to a marginal existence on unemployment insurance and social assistance". The Government cannot fail to be aware of this. My colleagues and I have raised the matter time and again in our speeches and in questions in the House.

I find it utterly amazing, therefore, that the Government could have tabled on the one hand a Budget that abdicated job-creation to so-called market forces and, on the other hand, tabled spending Estimates that show millions of dollars cut from federal support to the provinces for post-secondary education and from federal job-creation programs.

The Estimates show a cut of \$14 million in cash transfer payments for post-secondary education. When I raised the matter in the House, the Minister of Finance very indignantly responded that there will be no cut since the Estimates provided for an increase in tax transfers to the provinces. The provinces are not obligated to apply tax transfers to specific programs. There is no guarantee that there will be a replacement of the \$14 million cut that the federal Government has made in the cash transfers that are specifically targeted to post-secondary education.

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The Government says that it is concerned about unemployment. But how are Canadians to find this credible when the actions of the Government indicate the opposite? Things are especially difficult for those living outside central Canada, in

regions where unemployment is worse now than it was in the depths of the recession. But what is the Government doing?

Since coming to power it has year over year reduced its support for the economically disadvantaged regions. Even with the grain subsidy program, regional development support has dropped by about \$2 billion since the Conservatives took power. In his Budget Speech the Minister of Finance acknowledged that the regions are "hurting"; but he had no new programs to announce. The Estimates tabled last week showed, apart from the grain subsidy, very little to change the perception that the Government has abandoned the regions.

Recently, the Association of Mayors and Reeves made a special request of the Government for additional funds for municipal infrastructures: sewers, roads, bridges and so on. The mayors and reeves made very persuasive arguments in favour of protecting the quality of life and, in particular, in favour of creating employment. The Government refused their requests. However, it was not content just to refuse a request for assistance from municipalities, it has acted to make life more difficult for municipalities. The increase in the excise tax on gasoline has, of course, pushed up the cost of providing public transportation. The additional requirement for deducting the essential deductions from wages, that is, the Canada Pension Plan, unemployment insurance and income tax, which are now required to be deducted fortnightly instead of monthly, is adding to the workload of municipalities. Of course, the sales tax has hit municipalities very hard.

So we are really seeing the Government making a desperate attempt to look as though it were reducing the deficit while it is transferring more of its deficit to municipalities and provinces. But we do not see serious attempts to stimulate the economy and to take the type of measures that would in fact reduce the deficit in a long-term and constructive way.

We have had a great deal of rhetoric from the Government on the subject of tax reform. It was supposed to be the centrepiece of the February Budget. It has now been put off to some nebulous time in the spring. But there was a hint in the Estimates of what Canadians might expect from tax reform. It is why most Departments will have to adjust to further cuts in staff. We see that Revenue Canada is scheduled to hire over 400 new tax collectors. That does not seem to line up with the Finance Minister's promise that tax reform would make the tax system fairer, simpler and more efficient.

I now come to the Public Service. The Government has made much of how it would bring in greater efficiencies in the Public Service. Last year, the Government announced that it would consider instituting a system of what it called productivity bonuses for managers in the Public Service who have been successful in "meeting expenditure targets". What that seems to amount to is bonuses for those who were able to cut jobs. We learn from the Estimates that the Government will be spending about \$4.5 million on bonuses for last year's work. The bonuses are for senior management, people who already earn anywhere from \$50,000 to \$120,000 per year. I have learned that their job performances will be evaluated in the