

*The Budget*

**Mr. DeVillers:** Mr. Speaker, the definition of a deficit is the difference between incomes and expenditures. My position, and I believe my party's position, is that we can increase our revenues. Government obtains revenue from taxation. The problem is we do not have enough people paying taxes because of the unemployment rate.

The measures being implemented through the red book program and through the budget are designed to get more people employed so that we can broaden the tax base, have more people paying taxes, not people paying more taxes. That is the object of the budget.

[Translation]

**Mr. Michel Daviault (Ahuntsic):** Mr. Speaker, as a Montrealer from way back who represents Ahuntsic, a Montreal riding, I would like to talk about my city, the city of Montreal.

A number of years ago when I was still in elementary school, our teachers taught us, with barely disguised pride, that Montreal was Canada's metropolis. We were the residents of a city that was Canada's financial and banking centre. The port of Montreal was Canada's major port, handling goods from Ontario and the Prairie provinces and imports from Europe and Africa. Those were the good old days, but times have changed.

Montreal has now become this country's poverty capital. In the metropolitan area, 18.5 per cent of households live below the poverty line. And with the first Martin budget, Montreal has become the capital of despair. During the past ten years, poverty has been gaining ground, and not only undermining the moral of Montreal's residents but also their ability to face the major challenges it must overcome to be competitive on the market. Business arteries formerly crowded with shops, boutiques and markets, now show signs "for rent", "going out of business" or, tersely, "bankruptcy". I am not dramatizing at all. This is a fact of life in Montreal.

But what these shop windows tell us reflects only a fraction of the experience of Montreal residents. According to a study conducted by United Appeal to improve the way it targets funding to the neediest in the organization's territory, half the low-income residents surveyed in the United Appeal's territory live in the city of Montreal. Montreal Island has a poverty rate that is higher than the average rate for the greater United Appeal district, which also includes the suburbs. In Montreal, Montreal North, Verdun and Ville-Saint-Pierre, one resident out of three lives below the poverty line.

• (1650)

I may add, for the benefit of the Minister of Finance, that his own city and his own riding has been struck by poverty as well, since one resident out of four in Ville LaSalle lives below the poverty line.

This is the same minister who gave us a budget that, ostensibly to give the economy a boost, takes the money out of the pockets of those who need it most. They do not need the money to put into family trusts and save on their income tax or to compensate for the fact that they can no longer deduct their business lunches. They need the money for food, clothing, shelter and health care.

Not so long ago, when he was meditating on the opposition benches before becoming Minister of Finance, this is the same person—although he seems to have forgotten this, as we saw in his first budget—the same person responsible for the economic development of greater Montreal, who wrote in *La Presse* on June 8, 1992, in referring to Montreal: "As the economic heartland and a major development force, the Montreal region must be given a boost very quickly, otherwise its economic decline will be that of Quebec as well".

Why did the minister not introduce the kind of measures he proposed last June, which included upgrading or rebuilding infrastructures and a program for home renovation assistance, which, as he said quite accurately, generated jobs and would be very beneficial in an area like Montreal, with one of the highest tenancy rates in the country? Since the only existing renovation program, the Residential Rehabilitation Assistance Program, is intended not for tenants but for owner-occupants, one wonders who had the most powerful lobby.

Why did the same member, who is now the minister, not talk about creating super economic incubators and implementing a policy for renewal of growth sectors in the manufacturing industry in partnership with Quebec and the city of Montreal?

These are all former proposals made by the minister. Was it all just a fantasy? What happened to the promise he made with other Liberal candidates last October, a promise that included investing \$250 million in research and development in Quebec, mostly in Montreal? What happened, since everyone agrees Quebec does not get its fair share of spending on research and development?

How could they promise such measures and many others it would take too long to mention, and not take concrete steps in the Budget, at a time when we are witnessing the pauperization of Montreal? And what are the consequences, in the near and not so near future, of a deteriorating financial situation in a city of 1.2 million with an unemployment rate that rose from 9.1 per cent in December 1989 to 13.8 per cent in December 1993, higher than the unemployment rate in St. John's, Newfoundland during the same period, or in Toronto, where the unemployment rate rose from 4.1 per cent in December 1989 to 11.5 per cent for the same period?

One of the more obvious signs of poverty is reflected in the housing situation, shelter being a very basic need and extremely important in a country like ours with its severe winters—some-