

*Oral Questions**[English]*

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Industry.

Yesterday's budget established a path for solid economic growth. It lived up to the commitments that were made in the election. One of those commitments was job creation through small and medium size businesses.

Would the Parliamentary Secretary to the Minister of Industry expand on what the budget does to address the concerns of small and medium size business?

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, the greatest hope we have for putting Canadians back to work rests with small and medium size businessmen and women in the one million enterprises that employ close to 70 per cent of the nation.

In the budget the Minister of Finance did three very specific things for small business. First, the small business corporate tax rate was not touched. Second, the \$500,000 capital exemption was not touched. Third and most important, the Minister of Finance announced last night that the chartered banks of the country would be brought to task for their relationship with small and medium size business.

● (1445)

Today the chairman of the Standing Committee on Industry announced that within the next two and a half weeks the presidents of all the financial institutions in this country will come to the committee to report on what they are doing for small business.

That is how we will create jobs.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, hidden in the bowels of this Liberal budget are gas taxes, a 2 per cent interest increase on penalties, UI premium surplus revenues, and elimination of PUITTA transfers just to name a few. Does the minister admit that he is digging deeper and deeper into the pockets of middle income Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have just spent a year and have finally quite satisfactorily solved alternative fuels in terms of ethanol.

Some hon. members: Oh, oh.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I wish I had never started on this. I am being sandbagged.

The Speaker: We have bowels on one side and bags on the other.

Some hon. members: Oh, oh.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, on a more serious note, the minister prides himself on being open. He does talk about a 1.5 cent per litre gasoline tax but surprise, surprise, there is a tax on this tax: the GST. Would he agree that this might be a tactic which would be considered deceitful by some Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): No, Mr. Speaker, clearly not. Canadians understand quite well those areas in which the GST is applied. With the budget now behind us, we look forward to dealing with the GST question this year.

[Translation]

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is for the Minister of Finance.

Faced with new spending cuts, the Minister of National Defence announced yesterday that the headquarters of the land component of the armed forces and the facilities at Saint-Hubert would be closed. According to the newspaper *La Presse*, because of this decision, 400 people will lose their jobs, half of those civilians.

After closing the Saint-Jean military college last year, how can the Minister of Finance justify the decision to shut down these facilities and the base at Saint-Hubert, while we know that Quebec is under-represented when it comes to armed forces facilities and spending, and is getting at least \$650 million less per year in this area than it should?

[English]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the House of Commons and Senate special joint committee on defence recommended that to save money we eliminate one command structure within the armed forces. In yesterday's budget we did that by closing air command in Winnipeg, maritime command in Halifax, and land forces command at Saint Hubert.

[Translation]

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, will the Minister of Finance commit to rapidly announcing adjustment measures to help these civilians find new jobs?

[English]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, in last year's budget we announced the elimination of 16,500 people from national defence. Yesterday it was just under 12,000. That is nearly 30,000 people. All of these people will be eligible for the force reduction plan covering the uniformed personnel and the civilian reduction plan covering the civil servants.