

*The Budget*

another jurisdiction I can honestly say that this is one of the best budgets I have witnessed.

The budget is about commitments made and commitments kept. During the election we campaigned on a platform of creating opportunity. We asked Canadians to put their trust in us and we put our trust in them to get things moving in the right direction.

We promised to create jobs for Canadians and we have. As has been talked about many times in the last number of weeks, in the past year over 400,000 jobs were created across the country. We promised stable inflation and we have the lowest inflation in the industrialized world. Our exports are at an all time high and the level of business confidence in the Canadian economy is at its highest point since 1979.

The budget moved us further down the road to even more opportunity in the future. As the Minister of Finance has stated, the budget breaks the back of the deficit. The government will reach its deficit target of 3 per cent of GDP by the end of the next fiscal year. Once we have reached that point the government will move to reduce the deficit even further. We will accomplish our goals without punishing the vulnerable.

Some people out there would say and have said that it is just a Tory budget tied up in red ribbons. Nothing could be further from the truth. We have gone about the budgeting process reasonably. Instead of across the board cuts as was the case with the previous government, we have examined every program and every activity of the federal government.

Yes, we can do more. The Minister of Finance chose a scalpel over a meat cleaver in making the cuts. In departments such as in the Department of Transport where the need for their services have declined, the minister has made larger cuts. The commercialization of airports will create new opportunities in my area for businesses to export their goods and promote better tourism marketing.

In the Department of Veterans Affairs the minister made considerably smaller cuts. I know that the Secretary of State for Veterans was keen in protecting services for veterans across the country. As a result few jobs will be lost at departmental headquarters in Charlottetown. This is also something the people of the riding of Hillsborough really appreciate.

Seasonal workers will be happy to know that there will be no changes to the unemployment insurance system. There have been no changes to eligibility criteria or the length of time one can collect benefits. The Minister of Human Resources Development will continue to examine the operation of the program, to streamline the operations, and to find better ways to help recipients of unemployment insurance.

The budget was also a fine example of sharing the burden of deficit control. For the second year in a row the government has refused to increase personal income taxes.

• (1750)

Most Canadians have realized for quite some time that wealthy Canadians enjoy special treatment come tax time. On budget day the Minister of Finance moved a long way toward stopping special treatment by eliminating exemptions for family trusts.

A couple of years ago the former government extended a tax holiday called the family trust exemption. Previously some of the wealthiest families in the country could hide their money away from the tax person by saying it was for their children and grandchildren. Because these family trusts have been exempted for so long it is difficult to estimate how much money is involved. Estimates have ranged from hundreds of millions to a couple of billion dollars that the tax people cannot reach. This special privilege was unacceptable and I am glad to see it gone.

The Minister of Finance placed a special tax on banks that had record profits in the last year. As well the government will be leaning on banks to make sure more capital is available to small and medium size businesses. The government will hold banks accountable on their performance in helping the Canadian economy grow and provide more jobs.

In the budget there is an increase in the taxes on large corporations. This was done because we realized that ordinary taxpayers were already paying their fair share. The budget spreads the burden more evenly.

The government has taken the position that we cannot do it all. Nor should we. It is the job of government to ensure that there is a level playing field for all Canadians to prosper. It is not the duty of government to run businesses the private sector can run better. That is why we are selling, for instance, our remaining shares in Petro-Canada and selling Canadian National Railway. On the list being examined for sale is the Canada Communications Group that has come under fire from small businesses across the country.

In the future we will be looking not only at what government does but why government does it. If we cannot find a legitimate answer then we should stop it. This is about more than smaller government even though government will be smaller. It is also about smarter government.

We must remember the Liberals created Canada's social programs and safety net. While we will be funding those programs in different ways we will insist that certain national standards apply. All aspects of the Canada Health Act will continue to be enforced, especially universality and accessibility. Of that there can be no doubt in the minds of Canadians.