

whose financial situation is often unstable. Is this the image Canada wants to project as a land of welcome?

Are Canadians so powerless to resolve their deficit problem that they have to tax people who are thinking of settling here? This measure is revolting and should be rejected by Parliament.

In conclusion, I would like to add that the government's borrowing power must be limited and nearing its saturation point if we have to enforce such deficit reduction measures. It is from this perspective that we should examine Bill C-37.

• (1555)

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I listened attentively to the remarks made by my colleague from the Bloc Québécois. It is obvious that when measures taken by the governing party are good ones—because they are in the interest of Quebec as well as Canada—such measures will always be disparaged by the party in opposition whose views are exclusively separatist.

We all know that the business and international communities have responded favourably to the budget brought down by the finance minister. In other words, it is the most responsible budget possible.

The current government said it would control the debt and the deficit, but I would also like to draw to the attention of this House remarks made during the last election campaign by the Right Hon. Prime Minister of Canada who stated that the debt and deficit must be controlled but also that a fair balance must be struck between the government's social role and the reality of budgetary constraints.

To my mind, the finance minister's budget is in every respect consistent with the Liberal philosophy of a fair balance. We will get the deficit down. Indeed, we have reached and even surpassed our objectives because the deficit is lower than anticipated. In saying that the government has a social role to play which must be maintained, well, with this budget we have fundamentally reconsidered the role of government.

People are saying that block transfers to the provinces are disastrous, I say that is pure grandstanding. I myself was a member of the parliamentary committee on the reform of social programs and I must say that, throughout Canada, people were asking for greater flexibility for the provinces. In Quebec and everywhere, people asked for block transfers. And so when the finance minister says he is rethinking the role of government, it is in fact to restore greater autonomy to the provinces through these block transfers.

Government Orders

What else could people ask for? The block transfers obviously entail some cuts, but we must not lose sight of the fact that the cuts we are imposing with this transfer in regard to the Canada assistance plan, health and post-secondary education is not as harsh as the measures we have imposed on ourselves. We must remember that by making a block transfer to the provinces, we are eliminating some overlaps, thereby reducing administrative costs.

Needless to say, this budget could be described as exemplary and that is why opposition members are trying to discredit it, but they are having a hard time doing so because that is not consistent with their views. This budget has something for Quebec and the other provinces, it gives them greater autonomy. That is what Canada will be like tomorrow and it is the Liberal Party, the present government, which will bring Canada into the next century.

And now, my question. In Quebec, people talk about wanting to regain autonomy in budgetary matters, returning taxation power to the province of Quebec, about having more budgetary capacity come separation. Considering that equalization works to Quebec's advantage—

The Acting Speaker (Mr. Kilger): Order, please. I must take into account the fact that the hon. member was allotted ten minutes with five minutes for questions and comments; that time has almost run out.

Mr. Bélisle: Mr. Speaker, I would like to tell the hon. member for Outremont that what the federal government will be transferring to the provinces in terms of block financing is a thinner envelope, a teeny weeny envelope.

• (1600)

When I mentioned in my remarks that the federal government was adding insult to injury, I was referring to the fact that, historically, as the Prime Minister said earlier today, to have a say, you have to pay. Up until now, the federal government paid. But in the future, while withdrawing financially, thereby passing on to the provinces the dirty job of cutting back social programs, the federal government wants to continue laying down standards, national standards. That is the problem.

Mr. Martin Cauchon (Outremont, Lib.): That is not true. Read the budget carefully. Go ahead.

Mr. Bélisle (La Prairie, BQ): If the hon. member for Outremont will let me finish. Naturally, some social programs have to be maintained, but the problem is this: at this rate, certain cuts have been so poorly targeted that, if you tie program spending to debt charges and the debt continues to grow at the same rate, there will come a time, five or six years down the road, when program spending cuts to the tune of \$75 billion will become necessary to match debt charges of \$75 billion. The