[*English*]

Ms. Blondin–Andrew: I thank hon. gentlemen on the other side for observing the decorum accorded each speaker on such an important issue as the budget debate. I hope I did not lose any time.

We tackled the issues head on and made job creation, economic growth and fiscal responsibility our top priorities. The new budget is the latest step in our ongoing drive to restore Canada's fiscal health and reinforce investor confidence. When completed this drive will make Canada a magnet for investment, which will in turn encourage economic growth and create the jobs and training opportunities Canadians need to cope with the technological revolution under way.

The measures announced by the government on budget day were more than a cost cutting exercise. They represent a major restructuring that will redefine the way government operates and what role government will play in people's daily lives. The budget represents a basic restructuring of Canadian society as a whole.

As the Minister of Finance stated in his budget speech, government must only do what it does best and leave the rest for those who can do it better. This presents Canadians with an incredible opportunity to step forward and have a direct impact on the way their lives are shaped and the way their communities develop.

As we debate the merits of the budget today and the necessary actions the government must take to get its fiscal house in order, we must remember we are not in a unique position in Canada. Other countries have waited too long before taking adequate measures and have in a sense hit the wall, while others have taken strong and affirmative actions and as a result have positioned their economies to compete aggressively in the new global marketplace.

We can learn a lot from those examples. New Zealand is a case in point of a country that found itself with debt and deficit that became too large for its economy to sustain. Over the course of the past eight years New Zealand has gone through a dramatic and painful restructuring that saw whole government programs cut, eliminated or commercialized, user fees introduced for many aspects of government services, and the introduction of new tax measures such as the GST.

As a result of these measures New Zealand has drastically restructured its government and improved its fiscal health to the point where it posted a deficit of 1 per cent surplus of deficit to GDP ratio. However the painful lesson learned by New Zealanders and one we must not ignore is what happens when we wait too long to take these measures and what happens when we essentially hit the wall. When this happens countries quickly discover that decisions on social spending are no longer theirs to make but instead made for them by investors and international agencies.

• (1600)

Sweden, a country that has been long looked at as a successful model of society with a highly successful social safety net is on the verge of hitting the wall. In 1994 Sweden's debt to GDP ratio was an alarming 93 per cent while its deficit to GDP ratio was at 11.2 per cent. The year before, Sweden's deficit to GDP ratio was at an all–time high of 13 per cent.

The government there is facing enormous obstacles to overcome and put its fiscal house in order. Because Sweden has waited so long to restructure how its government operates, the very social programs that are the envy of the world are threatened simply because it has lost many of its options to manoeuvre.

This is a situation we must avoid in Canada. On the other hand, there are shining examples of countries that have identified the need to reform before it is too late.

Australia has taken a systematic and measured approach to restructuring how its government operates. It has been done in a way that not only brings down the expenses of government but also makes its programs more efficient, more effective and more relevant to the people who really need help and support. In 1994 Australia posted a 34.4 per cent debt to GDP ratio and a deficit to GDP ratio of 4 per cent.

That is why we have to act now. Our debt to GDP ratio has consistently been rising from 17 per cent in the mid–1970s to more than 71 per cent today. In order to ensure that we remain the masters of our own destiny, of our own ship, we must change. We must adapt.

Last year the government spent nearly $58 billion on social programs. During that same period $38 billion went to pay for interest on the public debt. If we do not get our fiscal house in order now, these interest payments on the debt will be greater than what we spend on social programs. If unchecked, we as other countries have, will hit the wall.

That is what this budget is all about. It is a major step in restructuring the government so that it can give us the kind of strong foundation we need upon which we can build strong social reforms which truly reflect and address the needs and priorities of Canadians in the 1990s.

Initiatives contained in the budget actually support Canada's social policies by creating an economic and fiscal climate conducive to job creation. This budget reflects the sense of balance expressed by a man from the Northwest Territories who responded to the social security reform workbook. He said: "There must be a basic safety net for those who, for whatever reason, are unable to provide the encouragement and the opportunity for people to become self–sufficient".

Some people have been concerned about how the budget might affect Canada's social programs. This is not surprising given the vast amount of speculation and misinformation which