

### Supply

The debt's spiral has slowed somewhat, but this government's fiscal policy defies all logic.

• (1625)

The government is doing more to increase its tax revenue than to control its spending.

In pre-budget consultations, the Minister of Finance implied that he clearly understood the financial reality facing the federal government. It was an especially rude awakening when he announced a projected deficit of \$39.7 billion. The saddest part is that the public servants whose salaries are frozen, the military people who are losing their jobs, like the other victims of the Minister of Finance, the elderly and the unemployed, are being sacrificed for almost nothing.

We are no further ahead in reducing the deficit. We might as well say that the effort to reduce the deficit is practically non-existent. In its 1994 budget, the government wants to finance its projected budget deficit for 1994-95 by a very clear increase in direct individual and corporate income taxes. I refer here to the revenue projections in the finance minister's budget plan, where direct taxes are the only revenue in the budget which could enable the government to achieve this deficit objective of \$39.7 billion.

Does the government really think that it can tax the people of Quebec and Canada more? It is disturbing to see that one of the solutions adopted by the government is to increase the tax burden of middle-income seniors and of middle-class taxpayers in general.

Consumers have lost confidence in the economy. The financial markets are skeptical about promises to balance future budgets. In fact, the government has not made the cuts needed to reduce tax rates in the medium term and to revive the confidence of Quebecers and Canadians.

It is glaringly obvious: unemployment has not come down from its high rate. In February, Statistics Canada reported a rate of 11.1 per cent for all of Canada, while Quebec recorded an average rate of 12.5 per cent. Young people employed full time and men employed part time accounted for most of the lost jobs. Statistics Canada estimates that the labour force declined by 15,000, a sign that many Canadians have given up looking for work.

The Minister of Finance is continuing the Conservative policy of lower benefits for most of the people. The measure concerning low-income people with dependent children only hides its desire to save. It is a Tory policy with a compassionate face.

Young people will once again be the victims of reform. These measures will limit access and push some of these people towards social assistance. Eastern Canada, including Quebec,

will be hit especially hard by the elimination of regional unemployment scales above 13 per cent and by the reduced number of weeks of benefits.

The unemployment problem in Canada and Quebec is that there are not enough jobs for everyone and that people must go from one short-term job to the next. It is not with 45,000 temporary jobs that we will give renewed hope to the 1,590,000 unemployed in Canada, of whom 500,000 are in Quebec.

• (1630)

Has the time not come to reconsider work sharing for those who want it, to put all those people back to work and return to a full-employment policy? Furthermore, it is urgent that the government turn the situation around to favour the development of small and medium-sized businesses throughout Quebec and Canada. Small and medium-sized businesses create jobs and generate wealth. The government missed this goal it should have emphasized more.

Today, too many urban centres look like disaster areas. Social inequalities are getting worse at school and in the labour market, and we are shocked by the brutal return of physical and moral poverty. Everyone can see the homeless on the streets but few of us know that food banks are stretched to the limit. There is no more space. It is always the weakest who must pay when economic growth slows to a standstill, as you and I know.

According to the 1991 census data, the Montreal metropolitan area holds the Canadian record for the highest poverty level: 22 per cent of the population. Behind this figure is a social reality that Canadian federalism cannot be proud of. It is still possible to give Canadians the social programs they need if we see them as a right and a necessity rather than a luxury.

Instead of proposing measures for a healthy distribution of wealth throughout the country, the government is going after the middle class and attacking the universality of social programs, even though this policy promotes social cohesion. In this regard, the Bloc Québécois supports investments to consolidate the existing infrastructure, create jobs and lower the unemployment rate, provided that Quebec be the main authority responsible.

[English]

Point (a) of the pending opposition motion presented by the Reform Party goes against these objectives of economic development for the regions. The moratorium on all new spending programs announced in the budget is not compatible with our objective of regional development.

[Translation]

Mr. Speaker, I will now turn my attention more specifically to the public spending cuts announced in the latest budget.