

### Government Orders

though he cut \$7.5 billion in social programs, the financial world reacted very negatively to his budget.

This budget harms the poor and the financial world. In financial circles, people say that the government has lost control of the public finances, that it will not be able to bring the deficit down to 3 per cent of the GDP as it has been promising for so long. Finance people are not disconnected from reality, they have a very good analytical mind, just like the Bloc Québécois. They know that the tax revenue projections in this budget are as unrealistic as those contained in all of the previous government's budgets. They know full well that since 1988 or thereabouts, each time Canada's GDP increases by 1 per cent, federal revenues do not increase by 1 per cent, but only by a mere 0.4 per cent.

In other words, given the growth of the underground economy and the whole range of factors tied to the elasticity of tax revenues compared with the rate of taxation—I will spare you the technical details—economic growth in Canada results in lower tax revenues. Financial circles have their own highly skilled analysts who also know full well that this budget is not realistic and they have proven this over the past month. On reviewing all of the short-term and medium-term financial data, one can see the extreme volatility of interest rates, for example. The spread between interest rates on 90-day Canadian Treasury Bills—in my view, the most telling indicator of how the budget was received, of the economic situation and of the government's state of indebtedness—as compared to U.S. bills, was 213 points yesterday, when a mere two months ago, prior to the release of the Finance Minister's budget, the spread was only 40 points.

It is also clear that foreign investors have lost confidence in the Canadian dollar. A similar loss of confidence was experienced while the Conservatives were in office, but the situation has taken a turn for the worse under the Liberals.

• (1040)

On the one hand, then, the budget contains some extremely unpopular measures which target the least fortunate, persons who should not have to suffer any more than they already do, while on the other hand, it caters to financial circles. The Canadian government will have to pay an additional \$3 to \$5 billion at the end of next year in extra interest charges. The government is responsible for the increase in interest rates. It has turned its back on those who have recently renewed, or who will be renewing their mortgage shortly, by allowing interest rates to creep upward. All of this stems from the lack of credibility of the latest Liberal budget. This budget is as lacking in credibility as any of the previous Conservative budgets.

The situation is very sad indeed, Mr. Speaker, and others share our opinion. The fact that the Dominion Bond Rating Service Ltd recognized that with this budget, Canada had failed to gain control over its public finances and that consequently, it lowered Canada's rating from AAA to AA+ is significant indeed.

Considering that Scotiabank, Burns Fry Limited, the *Association des manufacturiers du Québec*, the Bank of Montreal, the *Conseil du patronat du Québec*, hardly a proponent of sovereignty, *Globe and Mail* analysts and the *Financial Post* all agree that the latest Liberal budget is as damaging as the previous Conservative budgets and totally lacking in credibility, then there has to be some truth in what we are hearing, Mr. Speaker.

When you are down to saying, as the Prime Minister did in this House on April 13, that the budget can be set aside, that what will determine what cuts and what measures to control spending need to be done and how public funds are to be managed is not that budget, but non-budgetary measures, even if the Prime Minister is somewhat disparaging about the latest Liberal budget, there is a semblance of truth somewhere in there.

This means that the most recent Liberal budget is not only as bad as the Conservative budgets were, but actually worse, because never had a previous Prime Minister of Canada run down the budget tabled by his Minister of Finance as much as this Prime Minister has.

So, and I will close on this, third reading on Bill C-9 has allowed me to see the progress made in the implementation of the measures, to see what actions this government has taken, after the alarm I tried to raise in my speech when Bill C-9 was read for the second time. I realize in the light of the actions taken, and the last budget in particular, that not one of the sensible, rational, well-thought-out recommendations made by the Official Opposition, recommendations that were mindful of social justice, human dignity, seniors, as well as young people actively looking for work and the unemployed, were taken into account for the action plan developed following the debate at second reading of Bill C-9.

I was following the goings-on in the federal political arena long before becoming a member of Parliament and before having the privilege of debating with you and I used to think that the Conservatives were the most right-wing politicians in Canada's political history. I considered their actions to be inhumane, senseless measures that did nothing to address the problems resulting from overliberal budgeting or the Canadian government financial difficulties. I felt that the social price of these measures, especially the price to the less fortunate segment of society, was too high.

Now I realize, Mr. Speaker, that the Liberal Party of Canada is even worse. Their ways are more underhanded. They cleverly wrap up right-wing, inhumane measures that hurt the most disadvantaged people in a progressive discourse, apparently intended to be open, humane, conciliatory, a discourse with a