

The Budget

• (1835)

The \$500,000 capital gains exemption for small businesses and farmers proves it.

Last year, we said that we would review the matter. After reviewing it, we said that we would keep it, that keeping it was important. Therefore, we must not scare people and have them believe that we are going to change everything and take pensions away from people just because the Minister of Finance announced yesterday that he will be reviewing the pension plan.

These organizations, like the Federal Office of Regional Development—Quebec, play important roles in economic growth and sustainable job creation. Nevertheless, we will not reach these goals by showering businesses with gifts. Everyone agrees on this point. Therefore, we are going to reduce business subsidies substantially. In the future, most assistance will take the form of refundable loans to businesses.

The repayment conditions attached to these loans will promote true expansion possibilities. They will continue to really help our small and medium size businesses, yet get the most for our taxpayers' money.

Lastly, we are determined to give our small and medium size businesses access to the financing they need to remain the primary source of job creation in Canada. I have often repeated my deep conviction that Canadian banks in particular have responsibilities in this area.

We have already taken the initiative of working with banks to correct their current shortcomings. From now until the fall, we will continue our efforts in this area in order to draw up points of reference for small business financing. We want to see concrete results in that sector as well. This process will be reviewed next year, and we have every reason to believe that this collaboration will produce valid results for our small businesses.

The budget tabled in this House yesterday by the Minister of Finance marks the beginning of a new era. It proposes a new way to manage the Canadian Confederation. It features a simpler, more efficient approach that recognizes provincial areas of jurisdiction. That is why we can say without any doubt that this budget reflects our progressive, dynamic, co-operative and pragmatic approach to federalism.

No one can accuse the Canadian government of promoting or proposing the status quo. The provinces will now enjoy greater flexibility and fewer constraints in managing their areas of jurisdiction. The Canada social transfer, which combines into a single consolidated block transfer the three separate payments the provinces used to receive from the federal government, will greatly facilitate operations. This new approach will reduce administrative obstacles for the provinces while giving them maximum flexibility in adjusting programs to users' needs. Provincial governments will no longer have to identify eligible

expenditures. They will prepare their own budgets and make their own decisions.

This initiative will simplify bureaucracy at the federal and provincial levels. There will be less red tape, fewer regulations and more results. That is what Canadians from all parts of the country expect from their federal and provincial governments alike. I admit that our budget is a tough one. The cuts announced are without precedent.

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But we no longer had any choice. If we want to maintain our standard of living and preserve our children's future, the government has to take firm measures and implement them with determination.

Nevertheless, all should recognize that the budget is also fair. We have made sure that everyone participates in the effort to correct the situation. The residents of Saint-Léonard understand that, as do all Canadians. Our budget is tough, but it preserves the essential. It respects the fundamental principle of fairness between individuals and between regions which guides Canadians. That principle forms the very foundation of our federation and makes Canada one of the best countries in the world. If you will permit me, Madam Speaker, I would like to say a few words to my English speaking voters.

[*English*]

The budget the Minister of Finance introduced last night is definitely a strong budget. The question we have to ask ourselves today is whether we had a choice. In the last few months international financial markets and our own financial institutions had sent the message that we had to put our financial house in order.

The Minister of Finance, who has the responsibility to find a balance between restoring confidence in the market and not being too harsh in cutting measures, was able to ensure that economic growth would continue. At the same time, the financial markets were looking for a commitment from the government that it was serious and meant business about putting its financial house in order.

The Minister of Finance did a very good job in presenting his very balanced budget. This morning we saw the financial markets responding, as did the media and the people. I have been a member of the House for over 10 years. It is the first time that after the presentation of a budget I have seen such positive announcements and comments in the media and elsewhere. We owe a message of congratulations to the Minister of Finance and the government for a job well done.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, after hearing the reassuring words of the minister I would like to be able to say I will sleep better tonight, but I cannot.