

The Budget

was there before that also and still sits, for now, with the government. We await his vote on the upcoming budget in regard to these issues.

As for other Liberal MPs, their critical faculties and social consciences seem to have been dulled or blunted along with their political instincts, lulled by the most insidious narcotic known in politics: the polls, the fast results and public opinion polls.

The Minister of Finance now boasts that his budget policy is such good politics that there will be more of the same, more again and yet even more as we get closer to the election campaign. Let me offer some advice to members in the House. Save those quotes. Cut them out. Keep them close. As we approach the days of the election campaign you will find them very useful.

• (1210)

We will also find out in the next two or three years that the government has an intended raid on the treasuries of other governments. That is what the budget is really about. From 1995 to 1997 there is a series of delayed action bombs which it hopes will explode in provincial jurisdictions and take out provincial and not federal politicians.

Most of all, we should give credit to Canadians. If anyone deserves any credit in this country in regard to some of the good decisions that are being proposed it is the Canadian people who have spoken in a loud voice and with consistency in regard to these issues.

The bottom line in the budget is that the cost of servicing the debt is going up as fast as program expenditures are coming down. Fiscal improvement is the product of increased revenue from economic growth. That is what we are seeing. So far as balancing the budget is concerned it has to take place at some unspecified time.

The government has made hay of the fact that it has a 3 per cent commitment in terms of reducing the deficit to GDP. It even has the temerity of adding that this is the standard of the European Community. What it forgets to say is that in the European Community this standard is applied to national governments.

In Canada, in the federal system, the provincial governments also incur debt. This year alone it is estimated that they will add \$16 billion to the annual debt of the whole country. This is a false standard and the marketplace has recognized it. In fact, if we were to speak objectively of the reaction to the budget, at first what seemed encouraging has since then soured. The bank rate since the budget has gone up. The prime rate has gone up and the dollar has fallen. Those are objective facts.

I will recognize that there are other factors out there in the international marketplace but if the government makes a pretence of telling us to look at the numbers because it is on course, it reveals to us that it is certainly not on course in terms of the provisions it has made.

One group of people had it right. One rating agency grasped the essence of the budget very quickly. It was the Dominion Bond Rating Service. This service looked at what was proposed in the budget and then went on to place Ontario's rating under negative review because the provinces stand to lose billions of dollars in federal transfers. It understood what had just taken place. The problem had now been transferred to the provincial governments. It then turned to Ontario and saw who was in trouble now. It was Ontario that was going to be losing the money. It understood the real impact of the budget.

Some apologists for the government and some wishful thinkers explained the budget as a triumph of pragmatism.

[Translation]

Let us not kid ourselves. When the government says it is taking a pragmatic approach, the fact of the matter, what we have actually seen, is that it is all improvised, an off-the-cuff, ad hoc, last minute approach, which is interestingly enough reflected in the decisions that are made, particularly with respect to provincial transfers for social programs. It will all come out of the same big transfer pot, so to speak, with as little connection as possible.

In its budget, the government even had the nerve to suggest putting the Minister of Human Resources Development in charge of negotiating new standards with the provinces. After his first mission—which was a flop, a complete fiasco, ending in humiliation, and ultimately disowned—he is asked to go and consult again with the provinces, while cuts have already been announced.

Mr. Speaker, let us not be naive. We were not born yesterday. Just between you and me, what is going to happen when they get together with the provinces? How do you think things will go? The provinces are going to say: "Look, you made the decision to cut. There is nothing left to negotiate. Give us whatever money is left and leave us alone." This certainly reflects a lack of planning.

[English]

This brings me to what I see as the first major weakness of the budget: there is no plan. It reflects nothing of what the Liberals said, did or stood for in the last nine years in this place. The budget reflects nothing of what is written in the red book. All promises have been thrown out the window. The red book has been scrapped and the government and the country are left with no plans and no priorities. What kind of a situation does that lead to?