

Supply

There is no way any family or any business can continue to go deeper and deeper in debt year after year and survive. The people in Quebec are looking for politicians with integrity who will say what they mean and mean what they say. The tragedy of broken promises has created a level of cynicism which has to be overcome all across Canada.

They are looking for a change in the process. They are looking for changes with the government being more responsive to the needs and demands of the people. They want to have a say in what is going on in Ottawa, not just hear the voice of Ottawa in the ridings. They want a change in the process. Freer votes, referenda and recall are all issues which the people of Quebec would support as well as the rest of Canadians. As I said in another speech, if you want trust you have to give trust. We have to do that to return to the level of trust that has been lost. I am sure the people of Quebec are no different from other Canadians in wanting safer streets, safer homes and safer communities.

• (1330)

This motion highlights several bills and I would like to deal with two of them, the budget bill, Bill C-76, and Bill C-88, that deals with interprovincial trade barriers. In those two bills the government missed an opportunity and failed to unite Canada and to address the barriers which exist. I would like to highlight where the government went wrong and what should be done to restore Canada as a united nation.

The budget was wrong. It failed dismally in addressing the deficit and the debt, which are the most serious problems Canada has today. I was very disturbed and disappointed by the Bloc response to the budget. Apparently Bloc members still do not understand and appreciate the fact that the deficit and the debt are the major problems in Canada. What I heard was: "It is not really a problem. It is not too serious. All we have to do is trim a bit of government fat. Whatever we do, we should not touch the social programs because they are sacred".

I would suggest that with a \$600 billion debt, overspending of \$25 billion a year and interest payments approaching \$52 billion, all programs have to be looked at thoroughly. It cannot be done simply by trimming government fat or by going after the social programs. All areas of government spending must be addressed. The spending which has been taking place in social programs, because they represent such a huge portion of the total spending envelope, absolutely has to be addressed.

The message is that Canada has a spending problem, not a revenue problem. Canadians from coast to coast understand that. They were ready for the budget. When I say coast to coast I am including the people of the province of Quebec. They understand the magnitude of the problem. They understand that living beyond our means has to come to an end. There will be some pain associated with it, but that is facing reality. To

suggest that the deficit might be tackled by getting delinquent taxpayers to pay the tax dollars they owe is a flight in fantasy. It nowhere nearly approaches our enormous debt.

It is interesting that Moody's, the bond rating agency which fired a warning shot across the bow of the finance minister before the budget came out is not Conservative, Liberal, Reform or Bloc. Moody's is non-political and was, as a bond rating agency, in my estimation, doing us a favour. It was sending a warning to the government about the seriousness of the overspending problem.

What did we do? We shot the messenger. The messenger was not telling us what we wanted to hear. In reality the messenger was giving us good fiscal advice to get our house in order and to get it in order quickly. It did that in advance of the budget because there were two messages which it wanted the government to get.

The first message was that 3 per cent of GDP is too low a target. It is easy and it will not fly with the investors that have been buying our bonds. The second part of the message was that it wanted a date set when Canada was going to achieve a balanced budget. Rolling two-year targets that the government hopes to meet will not fly with the people who have been buying our bonds. They want to know how and when Canada will balance its budget. No reasonable banker and no reasonable Canadian would expect less.

The downgrade which Moody's threatened before the budget was introduced, as we know now, happened. The budget which could have united us did not. In fact, it is doing more damage to the country as we are going deeper and deeper into debt. The downgrade has not really taken effect yet but it will down the road. It will have a very dramatic effect on the rate of interest paid to finance our bonds. Every 1 per cent increase in those interest rates costs Canadian taxpayers in the first year of borrowing an extra \$1.7 billion. The impact of that downgrade is very significant and does not look well for the future.

• (1335)

The budget has been passed on the assumption that interest rates will remain fairly stable. That is a very dangerous assumption. It does not take into account the possibility of a downturn in the economy which we know is coming. It is not a matter of if it is going to come. Economies go up and down and Canada could very well be into a downturn in the economy now and is very poorly positioned to deal with it.

Canadians know there are three ways to balance the books in Ottawa. One is to raise taxes. The second is to hope for growth in the economy and the third is to cut spending.

Canadians from coast to coast are not prepared to pay any more taxes. Again, the people in Quebec are no different from the people in every other province who are taxed to the limit.