

*Routine Proceedings**[Translation]*

Our ultimate objective is to deliver quality programs and services with the resources Canada can afford. These Estimates are evidence that we are on the right track.

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, the minister has just tabled the 1995-96 Main Estimates. The Main Estimates represent a total of \$164.2 billion in expenditures. The minister explained that program spending in the Budget will decline from \$120.9 billion in 1994-95 to \$114 billion in 1995-96 and \$107.9 billion in 1996-97, a reduction of 10.8 per cent.

Where will the \$13 billion in program spending saved over a two-year period be applied? It will be used mainly to finance rising debt charges which during the same two years will increase by nearly \$9 billion, assuming that the economy is in good shape, inflation is practically zero and interest rates remain at reasonable levels. What we have is an increase of 20.7 per cent in debt charges over the next two years, almost twice the reduction in program spending announced by the minister.

Nearly 75 per cent of all these efforts, of all these program cuts will merely go towards servicing the debt, which will cost us more than \$50 billion in charges in 1996-97.

In 1994-95, debt charges represent 33.6 per cent of budgetary revenues. In 1996-97, these debt charges will represent 36.6 per cent of budgetary revenues. Make no mistake, despite program review and previous budgetary measures, the debt marches on.

Program review merely transfers billions of dollars from Canadian citizens to investors who finance a debt that is increasing steadily.

• (1020)

The minister also said that by 1997-98, departmental spending subject to the program review will decline by 19 per cent relative to 1994-95. What the government did not say is that most of the money saved will be used to finance the cost of servicing the debt, as I said earlier.

The government keeps telling us it is reducing overlap between federal and provincial levels. In fact, the government is transferring the debt and the bills without transferring the corresponding authorities and tax points.

For instance, the Department of Fisheries and Oceans will divest itself of its inland waters programs. In fact, this has been going on for some time in Eastern Canada. Why not transfer authority over the fisheries outright, as requested by the provinces concerned?

The government has not withdrawn from areas under provincial jurisdiction or transferred the corresponding tax room to the provinces. There are still two departments of Health and two

departments of Human Resources Development responsible for social programs in each province.

If the government had withdrawn from areas under provincial jurisdiction, it could have saved billions of dollars more on its operating expenditures, while at the same time eliminating costly overlap on the federal side.

The government wants to promote autonomy by eliminating direct subsidies to business. These subsidies, which total \$3.8 billion today, will still add up to \$1.5 billion in three years' time. Why not get rid of them now, since the business community and business groups, including the Conseil du Patronat du Québec, have been asking the government to abolish them outright?

The government also intends to charge fees for a number of government services. On paper this sounds great, but will charging every adult who applies for immigration to Canada a fee of \$975 really reduce the deficit? Charging people this amount when they come here seeking a better life strikes us as mercenary, to say the least.

The budget proposes a 30 per cent reduction in dairy subsidies over the next two years. Quebec, which receives 50 per cent of these direct subsidies, will bear the brunt of this measure. Farmers in Western Canada whose subsidies are cut will receive compensation but not in Quebec.

We are also told that 45,000 positions in the public service will be cut in the next three years and yet this is barely enough to slow down the debt rate. The government says it is determined to be fiscally responsible, but the debt keeps growing as it did under Wilson and Mazankowski.

Why were positions not targeted for cuts in departments and organizations where there is an overlap with the provinces? A significant proportion of staff cuts will, in fact, be made in departments like National Defence and Transport, where there is no overlap with the provinces.

If the government was really serious about flexible federalism, it should have demonstrated its intention, when tabling the budget, to withdraw from areas of provincial jurisdiction. By remaining in these areas, it retains the right to impose its standards and its regulations.

Much greater cuts should have been made now, but more judiciously, so that less would have to be cut in the future and the deficit could be eliminated completely by 1997-98. This way, the cost of the public debt would not represent nearly 50 per cent of program expenditures as it will in 1996-97. The cuts planned for next year in transfers to the provinces and the cuts that will have to be made to programs in two years' time will hurt, but, unfortunately, they will serve only to maintain the cost of the public debt below \$50 or \$55 billion dollars at that time. Difficult decisions are always put off until later.

The main estimates for the Office of the Auditor General are down by 5.2 million dollars, a little over 10 per cent. The bulk of