

Government Orders

is no and I would like to explain why. Let us look at how much was really cut from the provincial transfers.

On page 51 of the Budget Plan, it shows total transfers falling from \$37 billion in 1994-95 to some \$34 billion in 1997-98, for a reduction of approximately 4 per cent. This is less than cuts to other areas of spending, which are reduced by some 7 or 8 per cent.

What is hidden in these numbers is the fact that tax point transfers were included in the calculation of the value of the transfer. This is completely misleading to Canadians and is a misleading statement in the budget.

These tax points were given to provinces in 1977. In that year, the measure affected the budgetary position by creating a one-time reduction in revenues. Since that time, these tax points have not added one cent to the annual deficit. They ceased being a budgetary item.

If one looks at the 1994 budget, one will not see any mention of tax points. Indeed, one will not see them in any other budget since 1977. They were included this year solely to confuse Canadians so that they would not realize the magnitude of the cuts that were being made.

Since we have peeled off this tax point veneer, what lies underneath? What is the real truth? Total cash transfers to provinces, which include payments for equalization, health, post-secondary education and welfare will be reduced from \$25 billion in 1994-95 to \$20 billion in 1997-98.

This is a reduction of \$5 billion or 20 per cent. Compare this to cuts being made in two other major areas of spending. The \$38 billion in transfers to persons were virtually untouched being reduced by only \$500 million, a minor amount.

The \$52 billion in departmental spending, which fell under what is called government's program review, will be reduced by a little less than \$10 billion or 18 per cent. Clearly the provinces did not get off easy in the budget. They were the biggest victims of the budgetary cuts. They took the major hit.

What is even more amazing is how much was cut specifically from health, education and welfare, the three programs that have been folded into what is now called Canada health and social transfer. Cash transfers for these three programs will fall from \$17 billion this year to \$10 billion in 1997-98. There will be a reduction of some \$7 billion. This represents a major reduction, a 40 per cent reduction in federal cash transfers for health, education and welfare.

Can members imagine what the Liberal opposition would say about a Reform government if it attempted to slash medicare by 40 per cent? This is what the Liberals have done and nobody has picked up on it. The Liberals will still paint the Reformers as fiscal savages. They should look at the brush themselves.

• (1105)

In closing, let me clarify the purpose of my remarks. My intention is not to say that deep spending cuts were inappropriate. To the contrary, the government's budget did not go far enough. There will still be a \$25 billion deficit when this party leaves office. In other words, more remains to be done.

It is my sincere hope that once Canadians get beyond the government's smoke and mirrors, we will be able to begin a very serious dialogue with regard to fiscal policy. I hope over the next two to three years people will look at our taxpayers' budget and at the Liberal's budget and debate the strengths and weaknesses of both.

If that can be accomplished, if we can elevate the national debate, the country will be much better off.

[Translation]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I want to discuss Bill C-76, which seeks to implement the 1995-96 budget, as well as the amendment tabled on March 30 by the hon. member for Saint-Hyacinthe—Bagot, an amendment which I support.

The amendment proposes that the bill be read a second time only in six months. In other words, it asks the Minister of Finance to go back to the drawing board, because this is the worse possible budget for poor and ordinary people. However, it is an excellent budget for rich people, banks and major corporations.

I already had the opportunity to denounce this budget, which is tough for the provinces, particularly Quebec, as well as for workers, immigrants and refugees, public servants and poor people.

This budget provides no measures to stimulate employment or economic growth. Its main objective is to cut everywhere, particularly in social programs, unemployment insurance and international assistance. It only targets the poor. This so-called Liberal government is in fact the most conservative government in Canada's history.

Both the government and the Liberal Party are making a sharp turn to the right. This is incredible. For example, over the next three years, the government will reduce by \$307 million the money allocated to the Canada Mortgage and Housing Corporation. Yet, social housing is in great need, both in Quebec and in Canada, and particularly in my riding of Bourassa, in Montréal-Nord, where many welfare recipients live and where there is a shortage of such units for them.

I want to briefly comment on the report which was just released by the National Council of Welfare. According to that document, 20.7 per cent of Quebecers live in poverty. Between 1992 and 1993, the number of people living in poverty increased everywhere in Canada. At the national level, the percentage of those living in poverty went up from 16.1 per cent, in 1992, to