

*Government Orders*

with the bath water and wherever possible preserving those basic and fundamental principles of Liberalism.

I am not happy that as a result of the burgeoning deficit some of our public servants who have done a tremendous service for Canada have had to go. The President of the Treasury Board has listened. He has come in with a package which is fair and in most cases more than reasonable. We have said to the public servants of Canada that times have changed. Yes, government has to do more with less and our priorities must shift.

With those individuals who have helped to build this country and deliver the programs we are prepared to sit down and be as generous as we can with early retirement, early departure and transfers, if possible, to other programs. No, we are not perfect as a government and this budget is not perfect, but it is the closest thing to perfection in a budget that I have seen and that the Canadian public has seen in many years.

*[Translation]*

**Mr. Nic Leblanc (Longueuil, BQ):** Mr. Speaker, I would like to ask my friend, the hon. member for Dartmouth, a few questions. I had the opportunity to take a trip with him to Japan, during which we had long discussions. Despite that opportunity, I was still a little surprised to see that he was so proud and happy today, and so impressed with the Minister of Finance's budget.

I fail to see how anyone could be proud, for example, to say that most of the deficit reduction measures will be achieved by offloading the problem onto the provinces. Responsibility for a large part of the federal deficit will be squarely put on the province's shoulders. For example, the Minister of Finance says that Quebec will receive almost \$7 billion less from the federal government, which will, of course, continue to tax Quebecers as much as ever.

How can he be proud to see that, in two years' time, Canada will have tacked on another \$50 billion to its debt? How can he be proud of that? How can the hon. member for Dartmouth be proud to see that, in two years, Canada's accumulated debt will have climbed to \$611 billion? How could we be proud of that? This does not make me in the least bit proud. Therefore, I would simply like the hon. member to answer my question.

Instead of making fiery speeches, he may be better advised to come down from the clouds and realize that, in two years, Canada will obviously have to collect more income tax and impose other taxes. The country will give much less to its citizens, since the interest payments on the debt alone will be at least \$50 billion. How could we possibly be proud of that?

*[English]*

**Mr. MacDonald:** Mr. Speaker, I thank my hon. colleague for his questions. I have a great deal of respect for the work that he does in Parliament. We have had discussions. I think he should drop this bit about sovereignty because he knows that Canada is a great place and I know he feels that fundamentally.

My colleague has asked me two questions. On the one hand, he has raised a concern about debt downloading to the provinces, that there are cuts in the transfers. I have to say to him that I am concerned about the cuts to transfers. The province of Quebec is much more able to withstand those types of cuts in transfers than places like Newfoundland, Nova Scotia and New Brunswick.

In New Brunswick and Nova Scotia the provincial ministers of finance said the number one wish they had on their wish list going into this budget was not that they did not have their transfers cut, but that the federal government come up with a credible plan for getting its finances in order. If that was not done it would have a major negative impact on the stability of the dollar and interest rates. Every province in the country is individually financing a debt. Their number one priority was to have some credibility from the Minister of Finance.

• (1715)

On transfers to the provinces we cut them by 4.4 per cent. That seems like a lot of money. It is 3 per cent of the revenue of the provinces. However, we cut our own programs, the ones we take credit or blame for, by 7.3 per cent. We cut ourselves more than we cut other people.

With respect to the second question about the debt being too high, I agree with him 100 per cent. However, I do not agree with members of the Reform Party that it is a debt monster and that we should dance to their tune.

We have tried to recognize that the debt is too high but that in order to control the debt we must control the deficit first. We are not prepared to sacrifice that fundamental nature of Canada to satisfy those on the far right, the ones who are off the mat. We are not prepared to go in and sacrifice ourselves to the big debt demon, as the former member said, by slashing programs and dismantling those things that are fundamental to the nature of the country.

I would think the hon. member opposite in a quiet moment would reflect on what we have done. We have probably created another good argument as to why Quebecers would want to stay in Canada. At this point in time, for the first time I might add in a long time, Quebecers just like Nova Scotians have a government in Ottawa that says what it means and when it says something it does it.