

The Budget

people they serve rather than developing an administrative bureaucracy which would tend to serve the industry itself rather than its clients.

Yes, we have made cuts. I just finished saying in my speech that every Canadian is going to share the responsibility in this exercise. I know. I am no stranger to the poverty of those people. Those are my people. I understand that.

Every Canadian is going to share the responsibility. Let us weigh things fairly. The Department of Indian and Northern Affairs which serves aboriginal people was the only department that has an \$8 billion budget that is going to have an increase of I believe 6 per cent when all other departments were cut.

• (1625)

I acknowledge that there have been cuts to some aboriginal programs but there have been cuts to almost every program and service across the board in every department and crown corporation.

[Translation]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, I will share my time with my Bloc colleague, the hon. member for Matapédia—Matane.

The Minister of Finance tabled his budget on Monday, February 27. I rise today in this House to state my position, my concerns and my disappointment in reading this budget. I will also share with you my personal analysis of the negative impact this budget will have on the participation rate of Quebecers in the Department of National Defence. While this budget is well received by the business community in general, and foreign investors in particular, the fact remains that once again low and middle income taxpayers are the hardest hit.

The government wants us to believe that Canadians from every walk of life, including the wealthiest, are affected by its budget cuts, but there is a world of difference between the finance minister's claims and actual fact. The fact of the matter is that the wealthy have until 1999 to convert their family trusts, to shield them from the minister's cuts and not pay any tax on their accumulated and future wealth. Also, the Liberal budget completely ignores the recommendations made by the Auditor General of Canada in his last report which made reference to \$6.6 billion in unpaid taxes. The federal government does not propose anything to recover that money.

How can the government pass up so much money without immediately taking the necessary measures? Is \$6.6 billion not enough money to spur it to take concrete and effective action?

Let me give you another example which illustrates the inconsistency of the budget and fiscal strategy announced at the end of February by the minister, and which shows that the minister's

goal of tax fairness is merely an illusion. This example is also taken from the Auditor General's report: In Revenue Canada's opinion, 470 accounts of over \$100,000 each, representing a total of \$350 million, were at the collection letter stage, which means that no collection officer was involved, except in terms of reviewing the risk of loss.

By not taking action in this specific case, the Liberal government is sending the message that it is easier to get the money from low and middle income taxpayers, than from corporations or wealthy individuals who do not pay their fair share. This system is supposed to be fair, but who profits from it?

In my opinion, the 1995–1996 budget plan includes other examples of unfairness. Take a look at the summary of the Main Estimates, by department and agencies. Two thirds of the departments and agencies will see their budget reduced, while the other third will be getting more money.

Who will get an increase in 1995–96? The Senate, with a total budget of more than \$42 million; the Governor General, with a budget of over \$10 million; the Department of Indian Affairs, with an increase of \$327 million; Treasury Board, an increase of \$32 million; Finance, an increase of more than \$9 billion, \$9 billion to service the debt; the Privy Council, which is responsible for defending the “no” side in the Quebec referendum, will have an increase of nearly \$5 million; and the list goes on.

• (1630)

And even worse, the federal government's total estimates will increase by more than \$3.7 billion, which will bring total spending up to \$164.8 billion. Incredible. With a deficit of \$37.4 billion for 1994–95 and a projected deficit of more than \$32.7 billion for 1995–96, we are sinking deeper and deeper into the hole.

By the end of the current fiscal year, the net federal debt will be \$578.8 billion. Incredible. The federal government's present financial situation is a reflection of what the future has in store. Furthermore, the budget brought down by the Minister of Finance contains no prospects for jobs in the short and medium term. Where are the jobs we were promised in the Liberal red book? Ask the federal public servants who believed those promises.

The steps taken by the federal government to put this budget together fall far short of the expectations of taxpayers in Quebec and Canada. These measures are an outright breach of our social contract.

Now for a few words about the Department of National Defence. The budget announced cuts totalling \$1.6 billion over three years. The Bloc Québécois, in the minority report of the Special Joint Committee on Canada's Defence Policy, insisted