

*The Budget*

Obviously we have to do both and the Minister of Finance has done just that. That is why the budget is being applauded both at home and by international experts throughout the world.

[Translation]

**Mr. Gilbert Fillion (Chicoutimi, BQ):** Mr. Speaker, I must inform you that I will be sharing my speaking time with my colleague from Manicouagan.

On Monday, February 27, the Minister of Finance tabled his 1995 budget before this House. Make no mistake about where I am coming from. I am, of course, in favour of streamlining public expenditures. I am also for a fair and efficient method of taxation by which the rich pay more and the less fortunate are protected.

How can this government keep hitting on the same group of people time after time, with each new budget measure, penalizing middle income taxpayers and digging into their pockets for millions and millions of dollars when it would be so easy to deal with the real problem and collect substantial amounts in a jiffy by making those who can afford it pay their share?

With its new budget, this government will cut \$560 million in subsidies paid to railway companies with respect to grain transportation. At the same time, milk producers are seeing their subsidies cut without any compensation. It will be no news to anyone if I tell you that half of milk produced in Canada comes from Quebec. Yet, let it be known that our province is not as fortunate as Western provinces. No one told us about the rise in the price of milk, bread, butter and other dairy products that will result from this budget.

Who will foot the bill, if not the little people? Stop cutting essential public services and social assistance, which are so vital in these times we are going through. Why wait until 1999 to enforce the 21-year rule with respect to taxing capital gains on investments in family trusts? Why not start right now? Can you tell me why this four-year delay is necessary? Must I remind you that the Liberal government is thereby forfeiting hundreds of millions in revenue each year? Can we afford to do without such revenue at this time? Not likely.

And what about tax havens? There is nothing whatsoever in this budget concerning the 16 tax treaties Canada has signed with countries considered as tax havens. What are we to make of a \$100 million temporary tax on the capital of banks, when the Royal Bank's net profit for 1994 was \$1,169,000,000? The same year, it paid its president \$2,740,000. I wonder at what rate that salary was taxed.

• (1100)

What is the result of that nice performance? The Royal Bank laid off 3,500 employees.

Let us recover the unpaid taxes and GST payments. According to the auditor general, thousands of companies owe several billion dollars in unpaid taxes on their profits. This is unacceptable.

Can the Minister of Finance put himself in the shoes of an ordinary person, who does not share his philosophy and certainly not his definition of philanthropy?

The speech made by the hon. member is laudable, honourable and perhaps justified, but can the same be said of his motives, or are those merely related to the referendum?

The money saved by making cuts to the UI program and transfer payments to the provinces is now used to finance part of the provinces' spending on welfare, post-secondary education and health.

I do not understand why these cuts do not apply to 1995; they are being postponed until 1996, 1997 and 1998.

Does the minister really think that no one will notice? I am convinced that, faced with the same situation, the federal government would have noticed.

On February 26, it was reported in the media that Quebec was deprived of \$650 million in the national defence sector. What better way to correct that injustice than to eliminate 285 direct jobs at the Bagotville military base? The same could be said about the Saint-Hubert base. Yes, 285 jobs and, in the process, an elementary school with 10 classrooms. The fact is that over 1,000 people will be affected by these cuts. Once again, a decision was made without those affected being consulted. Entire families will be uprooted from their community. Following these cuts, how many small businesses from my region will have to lay off people or even shut down? The local population just does not accept that decision. It would be more appropriate to refer to my region as the queen of unemployment rather than the kingdom of Saguenay.

That decision will result in the loss of several million dollars for the region. While the province of Quebec is starting to recover from a hard recession, our region of Saguenay—Lac-Saint-Jean is sinking deeper and deeper into an inescapable economic slump. Our young people are leaving in droves.

Just take a look at the most recent data released by Statistics Canada. Last month, our unemployment rate jumped by one per cent, while it went down by one per cent just about everywhere else in the country.

The ICI organization in my region summed it up well when it stated that, and I quote: "Our region is a group of distinct communities which, as everyone knows, contribute a lot, in their own way, to the social, cultural, economic and political enrichment of Quebec and Canada".