

The Budget

The consultations by the finance committee is a House order. We are mandated by the House to do these consultations. We will continue with them.

I can also point out that the government itself has changed the way that departments produce their budgets. Each committee is now going to be involved with the budget preparation. We are going to build upon last year's success. We are going to have a very strong process. The finance committee will be the centre of it, but unlike this year, we will not be the only participants. I welcome the work of other committees to make sure we improve the budget on an annual basis.

[Translation]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I want to ask the parliamentary secretary if he shares my impression to the effect that there is very little in terms of job creation programs. The Minister of Finance is somewhat like a discouraged unemployed worker who sells his tool box because he feels he will never find another job.

I do not see any job creation initiatives in this budget. Rather, I am under the impression that the minister is selling his wood to pay for his stove. There is something wrong in all of this.

Can the parliamentary secretary tell us what miraculous solutions he sees to promote job creation?

Mr. Walker: Madam Speaker, last year we announced our infrastructure program. That program enabled us to create many jobs and implement many projects.

• (1230)

This budget will allow us to pursue our job creation efforts right across the country. I am convinced that our strategy will be successful.

The Acting Speaker (Mrs. Maheu): I have the honour of welcoming the Leader of the Opposition among us, once again.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Madam Speaker, 16 months after the October 1993 election, the government just made a very sharp turn. Indeed, the government has now stopped claiming, as it did for most of 1994, that there was no real fiscal crisis in Ottawa and that it could just surf on the wave of economic recovery, a wave which largely came from south of the border.

When a country with a debt as huge as ours anticipates, as the federal government did in its February 1994 budget, a reduction of its deficit based on totally extravagant assumptions regarding interest rates, that does not reassure anyone, let alone creditors, whether in Canada or abroad. Because of the irresponsible action of the federal government, these creditors have become

the true masters and judges of Canada's fiscal position. Since the Canadian government needs foreign lenders, the latter have had ample opportunity, in recent months, to signal the end of the party. A weak dollar and high interest rates are two phenomena that have become inseparable. At this very moment, real interest rates are among the highest we have ever known. The cause is as straightforward as it is shocking: by March 31, 1995, the federal debt will be \$546 billion or 73.2 per cent of GDP. If we add to this what the provincial debt will be on the same date, \$210 billion, the total equals 102 per cent of GDP.

This means that a country as rich as Canada has practically lost its monetary and budgetary autonomy. One third of federal revenues, \$42 billion, will be spent this year on servicing the debt.

Perhaps I may digress at this point because there is a comment I would like to make. Two billion more or less may not be that important, but I was nevertheless surprised when in his speech on October 18, 1994 before the Standing Committee on Finance, the Minister of Finance evaluated debt charges for 1994-95 at \$44.3 billion, and then reduced this to \$42 billion in his budget yesterday, although interest rates had gone up considerably since October 1994, something no one could have foreseen. This is rather interesting, and I have a distinct impression that the Minister of Finance occasionally lets politics, with a small p, play a part in his financial forecast. Yesterday's budget is certainly no exception. So much for that.

Our creditors snapped their fingers and, lo and behold, the little red book drafted by the same Minister of Finance went up in smoke. Cuts in social programs, providing for a surplus in the UI account that will be allowed to rise above \$5 billion, the savage downsizing of cash transfers to the provinces: none of this was on the red book's agenda.

On this side of the House, we talked about cutting the fat in the federal apparatus, a possible reduction in the defence budget, and getting rid of tax shelters and duplication of services by the federal government and the provinces. On the other side of the House, they just laughed and said somewhat condescendingly: Sure, we know the Bloc wants to dismantle the federal government. You want to cut \$6 billion from the government's operating budget, plus 2 billion from the defence budget, while Canada spends less on defence than any other NATO country. Now be sensible! That is what they told us not so long ago.

Yesterday, the Minister of Finance told us we were right. In three years, non statutory spending by federal departments will be cut by \$9.8 billion, in real dollars. Better late than never, although the many targets of the government's program review do not necessarily deserve the kind of treatment they get in the budget, a budget that takes a hard line on social programs and tries to manipulate the public.