

The Budget

to work with them, to be more inclusive both in our policy development process and in the results we hope to achieve.

Over the coming months the government will be engaged in discussions with the provinces among others on the question of the social transfers. Much of what Canada will look like in the future will be affected by these discussions. They must be driven by a vision for the kind of Canada we want and can afford for our children.

To engage in the exercise without considering affordability would be irresponsible and frankly silly. However, to engage in the exercise without a national vision would be equally irresponsible. What is more, it would be an abdication of our responsibility to those whose vision and determination have brought us to where we are: the country recognized objectively as the best place in the world in which to live.

What is better than that? We have to stop beating ourselves up. We have to stop beating each other up. All this talk of crisis and catastrophe should not cause us to lose sight of the comparative credibility and objectivity between the United Nations and some analyst with the *Wall Street Journal*.

● (1150)

We have a debt and deficit problem. We will fix it. We are a wealthy, safe, generous nation with a magnificent future. For those who think otherwise I can only turn to the vocabulary of my 10-year old son and say get with the program.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the Liberals constantly talk about the whole issue of cutting slowly.

I wonder if the member has had a mortgage on his home. I will assume that he has, along with probably 90 per cent of Canadians. Let us say it is a \$50,000 mortgage and he is paying \$500 a month. He probably knows that when he first starts paying on the mortgage very little goes toward the principal. Most of his \$500 payment is going toward the interest. I also wonder whether the hon. member has had the opportunity perhaps through an inheritance or hard work on his part to put \$10,000 toward the mortgage and seeing that instead of the money going toward interest that suddenly he is paying more on principal.

In other words, going slowly on deficit reduction simply does not work. To get the deficit to a point where it is not continuing to add to the burden of the debt there must be prompt, aggressive action so that we will not be doing away with our ability to fund the social programs, so that we will be able to reverse the situation that is forecast and planned for by his government of increasing interest payments from \$38 billion to just under \$51 billion. That \$13 billion is eating up the ability to fund social programs.

‘Surely there must be some Liberal in this House who has had the experience of making an abrupt payment down on the principal of a mortgage. Can the hon. member not see that that principal might not apply to Canadian finances, therein being able to correctly and properly protect social program funding.

Mr. Scott (Fredericton—York—Sunbury): Mr. Speaker, I thank the hon. member for Kootenay East for his question.

I am painfully familiar with mortgages. I was not kidding when I said my banker knows I am not obsessed with debt. Having said that, I do not think that in the interests of making a payment on the principal of my mortgage that I would be prepared to feed my family any less or take away from the college trust fund or my life insurance.

The reality is we have to engage in this exercise in a very practical, common sense way. Perhaps it is a regional problem, I am not sure but over and over again we hear particularly from our Reform Party colleagues that we are not moving quickly enough. I can only say as an Atlantic Canadian that to move any quicker would place us exactly in the position we are trying to escape from in terms of generating economic activity in our region. We benefit from social programs. We benefit from transfers.

To respond to earlier analogies with regard to chickens, the fundamental problem with the argument that if we give every province the chickens is that not all chickens are the same size. Consequently, part of what this nation is about is sharing the coop so to speak.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the hon. member has referred to this government taking control of Canada's finances again and the importance of that happening. I applaud him for recognizing that.

When we look at the Liberal budget and examine where the biggest change in transfer payments has taken place, has there been an increase in transfers to provinces? No. There has been a reduction of at least \$4.5 billion in transfers to provinces. Has there been an increase in transfers to individuals? No. In fact the biggest threat of this Liberal budget is in transfers to individuals through social programs. These programs are not sustainable because there has been no definite target for elimination of the deficit.

● (1155)

The largest change in transfers of government money in this budget is in fact in transfers of money to bankers. When this member talks about Canada regaining control of finances, how can that possibly be happening when this budget in fact involves an increase in transfers of \$12 billion to bankers, some of which are foreign bankers. More and more are foreign bankers.