

*The Budget*

A subcommittee of the Quebec caucus, where I am a member of the executive, made a study of federal spending programs and submitted proposals to the finance minister for improvements in public spending. Its purpose was to bring a new perspective to the administration of government services.

The work done by MPs and senators from Quebec was very useful, if the latest federal budget is any indication. Several recommendations made by the budget committee of the Quebec Conservative caucus were adopted, especially those concerning spending cutbacks, but also recommendations on promoting social justice and responsibility, encouraging economic recovery, and promoting investment, initiative and employment.

We are particularly proud of the cut in income tax. Our constituents had told us many times that taxes were too high. As of July 1, 1992, the federal personal income surtax will drop from 5 per cent to 4 per cent, which means that as many as 4.7 million Quebecers will enjoy a drop in income tax. As of January 1, 1993, the surtax will drop by a further 1 per cent.

As for spending cuts, the recommendations of Quebec members will lead to a \$1 billion reduction in expenditures in 1992-93 and more than \$7 billion over five years. Among other things, as hon. members suggested, Department of National Defence spending will be cut by \$2.2 billion over five years. Land and property belonging to National Defence and Public Works that are not required will be sold.

The Minister of Finance also accepted our proposal on revising travel practices. From now on, members of Parliament, senators and senior officials cannot travel first class.

One of our most important suggestions concerned reducing the number of senior managers in the government. This has resulted in the privatization, merger, deferral or outright abolition of 46 government agencies and advisory boards. Furthermore, departmental operating budgets, excluding salaries, will be cut 3 per cent.

The number of free publications distributed by the departments will be reduced. The facilities provided and renovations done by the Department of Public Works will also be greatly cut back.

Delegations sent abroad will be restricted.

In summary, those are the measures that were adopted among those proposed by Quebec members. But other

equally important ones will be implemented to reduce taxes and stimulate the housing sector, to reduce the size of government and to improve services to Canadians.

The budget just tabled continues on the deficit cutting track. The deficit will be reduced to \$27.5 billion next year and will continually decline after that.

Other important measures concerning the family will help restore the value of this institution which is at the heart of any healthy society.

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For Canadian households, this marks the end of discrimination based on marital status. From now on married and common law couples will get the same tax treatment. We will eliminate the disadvantages that the traditional family unit had to put up with until now. Indeed, following our recommendations, the Minister of Finance decided to abolish the distinctions that made married couples pay more taxes than common law couples.

Family allowances for high income couples will be eliminated. Again Quebec members played an important role in promoting justice and social responsibility. A single monthly payment for children will replace all the benefits that are presently paid to families and will direct assistance to low and middle income families. This will translate into a \$400 million increase in financial support for children, from \$4.5 billion to \$4.9 billion.

Those are only some of the measures taken, and of course there are others, to promote a strong recovery.

In conclusion, the budget cuts spending and thus enables us to lower taxes and promote recovery. It also ensures a substantial reduction of the deficit in 1992-93, as well as a constant reduction afterwards. We therefore have a budget that restores confidence in the Canadian economy while protecting our social programs.

The opposition may blame us for many things, but it certainly cannot accuse us of lacking consistency in the way we manage public funds.

The Conservative government is pursuing its plan. The 1992 budget seeks to stay the course toward a better future, renewed and lasting growth, job creation and deficit reduction. In the last seven years we have succeeded in stabilizing public finances as well as regaining control of our expenses.