

The Budget

up for what they believe in because not only is it an emotional issue, but it is also a matter of interest for Quebec.

Mr. Philippe Paré (Louis-Hébert, BQ): Madam Speaker, for many months and in fact for a number of years, federalists have claimed that all Canada's economic ills are caused by political instability. When in recent months interest rates went up and the Canadian dollar went down abruptly, people said: It is all because of those nasty separatists.

Perhaps the hon. member would care to explain why, the day after a budget that was rather well received by the financial community, interest rates seem to be going down and the dollar seems to be going up? Why, since the Quebec problem still exists? How would he explain that?

Mr. Caron: I want to thank the hon. member for his question. Madam Speaker, I would say that the connection is tenuous and as far as I can see, non-existent. We heard the same excuse after the results of the referendum on the Charlottetown accord in 1992. I remember seeing certain studies, including one by the Royal Bank which said that if Canada said no or Quebec said no, that would be the end of Canada, and I remember, this was either in the study or maybe it was a political cartoon, there would be train loads of Canadians heading for the American border to take shelter in our neighbour's economic paradise. In fact, there is no connection. If you look at the economic situation and the whole issue of Quebec's sovereignty, there is no connection between the two. Often, support for sovereignty is strong while the economy is weak, but often it is the other way around.

• (1555)

Unfortunately, some politicians are using this issue to make political gain. I deplore that because politics is a noble art, a noble science, a noble calling, and it is the art or the science, if you will, of government. It is the art or science of guiding and moving societies. When we use all kinds of tricks and excuses to try and get at our opponents and even resort to blackmail on these issues, I think that in addition to weakening our case, we also diminish our performance as a politician.

I want to thank the hon. member for Louis-Hébert for giving me this opportunity to say that I do think economic issues are linked to the question of Quebec sovereignty. I agree, but I do not agree that this very fact weakens the Canadian economy. I would say that people are waiting. People are waiting, and if we manage to reach a decision, I am sure the economy will recover, both in Canada and Quebec, and that we will then have the resources to restructure our economies and ensure that within Canada's present borders there are two countries that are comfortable financially and whose citizens will be able to work together.

Mr. Raymond Bonin (Nickel Belt, Lib.): Madam Speaker, I rise in the House today to express my support for an innovative budget that sets the Canadian economy and Canadian federal-

ism on a new course, a budget that at the same time remains faithful to the most fundamental Liberal principles. I commend the Minister of Finance on presenting a budget that strikes a balance between the need for a quick return to fiscal responsibility at the federal level and the need to maintain what identifies us as a people, the compassion of our social programs.

Since the pre-budgetary consultations began, the message from my constituents has been clear: we must tackle the deficit, but at the same time, we must be fair and equitable.

[English]

My constituents have told me unequivocally that, like each household, the government must learn to live within its means. It must concentrate on reducing the deficit by significant cuts in government spending, not by increasing the burden on the middle class.

They have also told me that they wish to see increased fairness in the taxation system and a continued protection for our most vulnerable by way of efficient and modern social programs. Those same constituents conveyed to me their belief that our social programs are in need of reform to modernize them and make them more efficient and pertinent to the realities of the 1990s.

I am pleased to state that I believe this budget to be a significant first step in achieving the delicate balance requested by my constituents. However, I must say that balance is only achievable because Canadians want and are ready to support real change, a new policy direction and a new approach to governing in Canada.

Getting government to live within its means is our first challenge. Not unlike a household, a government that lives above its means eventually faces hardship.

There can be no doubt that the accomplishments of Canada and Canadians, a nation with a small population base, are unprecedented. Canadians have banded together to build the best nation in the world. Our resource base is abundant. Our population is well educated and hard working. Our private sector is dynamic and entrepreneurial spirit abounds.

Last year we led the G-7 in growth. Our inflation is low, exports are booming and jobs are being created. Our economy is on track. The fundamentals and basic ingredients for guaranteed economic success are in place.

However, our interest rates and the currency are at the mercy of the international financial markets that speculate on our ability to control public debt and deficits. Those markets have us living under a microscope and any rumour can send our interest rates upward and our dollar plummeting. Under those conditions, Canadians live under a perpetual cloud of economic uncertainty which affects personal financial decisions as well as business decisions.