

Government Orders

Second, this budget misleads Quebec and the provinces, when it claims to be courageously attacking the federal deficit, when in fact it is offloading the greater part of that deficit onto the backs of the provinces. Seven billion dollars in expenses have been transferred in this manner, but no power went with it.

Third, this budget is destructive of social programs, and in particular health programs. The official speech conceals the truth of the matter, when it implies that the principles underlying the Canada Health Act are not affected and remain unchanged. Some treat when the federal government orders the meal for Quebec and the provinces and leaves them to pay the tab.

Fourth, and this is the most disturbing, this budget flies in the face of the government's claim to be embracing flexible federalism, the latest version of its favourite theme. There is no flexibility in this budget, other than that demonstrated by the Minister of Finance when he sidesteps his responsibilities and dumps them onto the provinces. Everything else remains unchanged. National standards, spending authority, overlapping of departments in areas of provincial jurisdiction.

• (1330)

With this new budget, the government is once again waging an all out war on the least fortunate members of society. For the second year in a row, the unemployed and the small wage earners are bearing the brunt of the cuts, while major corporations and banking institutions go nearly unscathed.

The finance minister announced new cuts to the unemployment insurance program, while he will only temporarily increase capital tax for major banks. He will beg banking institutions for a paltry \$100 million, while, in 1995, the Royal Bank alone recorded profits of around \$1.2 billion.

Moreover, this government refused to listen to all those, including the Bloc and the Conseil du patronat du Québec, who were asking for the elimination of all business subsidies. The finance minister chose instead to cut \$300 million from social housing instead of using the \$1.5 billion still earmarked for business subsidies.

Is this the federal approach?

Major corporations and banks can rest easy. The finance minister clearly indicated in his budget that, once again, the unemployed and the poor will be stuck with paying the bill for the inefficiencies of this unworkable federalism; at the same time, he maintains, until the end of the century, the privileges enjoyed only by the rich through family trusts.

The budget is very clear: within the next two years, the federal government will deprive the provinces of 7 billion dollars worth of transfer payments for health care, post-secondary education and the Canada Assistance Plan for which provinces will have to

pay out of their own pocket. This is what we call offloading your deficit onto the provinces. Indeed, the federal government should put its financial house in order, but not at the provinces' expense.

Quebec is being loaded down with a big chunk of Canada's deficit, while, for its part, the federal government keeps interfering in Quebec's jurisdictions. Quebecers will keep on paying the cost of all the duplication inherent to the federal system. We will still have two health departments, two human resources development departments, and two environment departments, to name only a few.

This is the new Canada promised by this bad budget. This so-called decentralizing budget is, in fact, nothing but an empty shell, since the federal government will continue to intervene in areas of jurisdiction belonging to the provinces.

The irony in all this masquerade is that, while cutting by 27.1 per cent the transfers to Quebec, the federal government continues to impose to the provinces the same national standards, in particular those coming under the Canada Health Act.

In 1979, when that bill was proclaimed, the federal government was paying 45 per cent of health and post-secondary education costs. Since transfer payments were frozen in 1992, the federal share has been reduced to 29 per cent. With the new measures contained in this budget, the share of the federal government will be down to a new record low of 15 per cent.

How can the minister have the nerve to want to impose national standards when the federal share of health care has dropped 35 per cent since 1979, despite a substantial increase in health care costs, and will decrease again more than 55 per cent with this new budget?

It seems to me that the federal government will have no choice but to leave to the provinces complete management of the health care system.

I said earlier that this budget will mean the floundering of our social programs as we know them today. We all know that Quebec and the provinces are faced with very steep increases in the costs of health care. This is mainly due to the following factors: aging of our population, new and more expensive medical technologies and a substantial increase in the cost of drugs.

Just like previous budgets when the government froze all transfer payments, in this budget, the government announces massive cuts to transfers to Quebec and the other provinces of funds earmarked for health.

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It does not matter if these transfers are combined with others to create one single envelope, the result will be the same: there will be less money for health care and the government will be jeopardizing the fundamental principles of our health care system.