

Government Orders

premiums. The Minister of Finance makes himself right at home, snatching from the UI fund surplus an amount of \$5 billion that must be added to his 1996-97 deficit figure. Beside the \$5 billion drawn from the UI fund, federal transfer cuts must also be taken into consideration. In 1996-97, these cuts will total approximately \$2.5 billion.

Therefore, if we figure out the total for next year, that is if we add to the \$24.3 billion deficit mentioned by the Minister of Finance in his economic statement the cuts in transfers to the provinces, as well as the surplus in the UI account, we arrive at an actual deficit of \$31.8 billion for 1996-97.

The same is true for 1997-98. The Minister of Finance paid a visit, with great pomp, to the committee last week and showed us, with his usual imposing presence, all kinds of nice and colourful diagrams and graphs. He told us that not only will he meet his budget goals but that, in 1997-98, he will be able to bring the federal deficit down, to 2 per cent of the GDP, or \$17 billion. Again, the Minister of Finance does not tell the whole truth.

The government is hiding some facts. Indeed, to this \$17 billion deficit we must add \$4.5 billion in cuts, which is a way for the federal government to offload its problems onto the provinces. Mr. Speaker, we are talking about \$4.5 billion. The federal government dumps its deficit reduction responsibilities on the provinces, to the tune of \$4.5 billion in 1997-98. Then, we must also add to that amount a \$5 billion surplus in the UI account, which the Minister of Finance and his government will take from the UI fund.

Therefore, far from standing at \$17 billion, as claimed by the finance minister and his secretary of state, the actual deficit in 1997-98 will total \$26.5 billion.

When you look at all this you wonder what the Minister of Finance has done in the last two years to really provide leadership and sound management regarding Canada's public finances? What has he done? Nothing. The minister was content with taking, if not stealing, the UI surpluses. He was content with offloading his responsibilities onto the provinces, and, regrettably, he was content to solve his deficit problems on the back of the unemployed, the welfare recipients, the sick and, soon, the elderly.

These are the corrections I wanted to make following the finance minister's snow job, which was added to this morning by his secretary of state.

• (1150)

How does the Minister of Finance manage to get these surpluses in the UI account, which will be \$5 billion this year, \$5 billion next year and \$5 billion the following year?

He uses an approach which is twofold. First, as we saw with the reform introduced by the Minister of Human Resources Development, which I consider to be a human tragedy, the minister came up with a plan to tighten UI eligibility criteria. In so doing, not only was a surplus created, but also the responsibility ends up dumped into the backyard of the provinces, as literally whole families, thousands of families eligible in the past for unemployment insurance, end up on welfare year after year.

For Quebec alone, the Quebec department of income security estimates that no fewer than 10,500 additional households will end up on the welfare rolls in 1996-97 as a result of the tightened UI eligibility criteria which have been decreed by the Minister of Human Resources Development, lauded by the Minister of Finance, and backed by this government, one which has not shown a once of compassion in the two years it has been in office.

In 1997-98, the tightening up of UI will force an additional 26,500 households, 26,500 Quebec families, onto welfare. A further 27,500 Quebec households will be added in 1998-99. A sad thing to contemplate.

The second equally heartless approach this government is using to create a surplus in a fund into which the government has not put a red cent for the past five years is to maintain high contribution levels for employees and employers.

The public is entitled to know that contributions at this time represent \$2.95 for each \$100 of insurable earnings. The Minister of Finance could have reduced that figure, this very year, from \$2.95 to \$2.93, thus creating no fewer than 12,000 new jobs and meeting his deficit objectives for the coming year and the year after that, but he preferred to sacrifice 12,000 jobs by maintaining contribution levels at \$2.95 per \$100 of insurable earnings, instead of dropping them to \$2.93. That is how they claim to have achieved the goal of sound and balanced administration of public finances that we all are seeking to achieve.

As I have already said, the main victims of the two years of Liberal reign have been the jobless, the welfare recipients and the students. Before long, as the Minister of Finance disclosed during his appearance before the finance committee, it will be seniors whose necks are on the chopping block.

Among the Minister of Finance's objectives, as revealed in his last budget, is a review of the Canada Pension Plan. Now, having tightened up UI eligibility criteria, he is focussing the same attention on the pension plan.

But why make such a mess of things? Why reduce the federal government's deficit by creating a very substantial social deficit? There are other options. The Minister of Finance has other options than skimming the surplus off unemployment insurance. He has other options than offloading the deficit on the provinces and, in the process, on students, welfare recipients and those who are ill. He has other options than preventing the creation of