

Government Orders

problems onto the provinces. No one told the Minister of Finance he should blithely cut unemployment insurance.

At no time, during the hearings held across Canada, from east to west, in the maritimes, Quebec, Ontario, the prairie provinces and British Columbia, at no time did anyone say that education should be cut. On the contrary. Education is fundamental to the success of nations today. No one ever said it should be cut.

No one ever said there should be cuts in health care either. Canadian nationalism is built in part on social programs, and the health care system in particular. Canadians are proud of this system. No one called for cuts to this system. What we got, however, was a 32 per cent cut over the coming years. I can count on my fingers the number of people who advocated this route to the Minister of Finance. I could even name them for you, but it would be a waste of time, and I have other things to say.

I will name one, Thomas d'Aquino, the head of the Business Council on National Issues. He told the government to slash everywhere, everywhere that is, but in subsidies to Canadian business. He was the only representative of business to tell the government not to cut the \$3.8 billion paid to business or to suggest it be done gradually to avoid having a harmful effect. He never said, however, that a \$7 billion cut in the unemployment insurance fund would hurt. It was not a major concern for him.

Some business people suggested cutting transfer payments, but these are not the people the government has to serve if it really cares about meeting the needs of the citizens of Quebec and of Canada. It should be working for ordinary people in Quebec. But their hands are tied when they form the government and come against those who finance the federal party. That cannot be stressed enough.

When a bank contributes \$45,000 to the Liberal Party of Canada, should we be surprised to later learn that the bank, and all banks in fact, do not pay their share of taxes? Why should we be surprised to see that they only have to pay a temporary tax, staggered over two years, which will bring in a paltry \$100 million, even though banks made \$5 billion in profits this year? That is what happens when there is no policy on the public financing of parties. That, and other things.

Regarding this 32 per cent cut in transfer payments over the next few years, I would say that although Canadian federalism was at one time profitable for Quebec, we all agree on this point—if we go back 30 years, as did one study recently, or 20 years—so, yes, it was profitable at one point, but it no longer is. They should stop trying to fool us.

Even André Raynauld, a good Liberal economist, whom I regard as very competent, a former Liberal minister at that, said

when he appeared before the Bélanger-Campeau Commission in 1990, that from 1988 on, Quebecers had not been getting more from the federal government than they were putting in. That was in 1988, but since then the difference between the \$30 billion in income taxes and other taxes that Quebecers pay into federal coffers and what the federal government gives in return has grown.

We are in the red. Look at it from any angle you wish, go ahead and crunch the numbers and try to make it look as if the deficit were equally shared by all the provinces. Between you and me, it is an exercise in futility. We all know that the right calculations, the true credit and debit entries show that Quebec gets less from the federal government than it contributes. And this deficit will only grow over the next few years.

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And the reason is precisely because it represents 32 per cent of federal transfers to the provinces, including Quebec, 32 per cent less in federal transfers. In the case of one of the items, we were told that we were receiving more than we were paying. That was before this year, with reference to the unemployment insurance fund. But, this year, the fund will no longer have a surplus. This means that the contributions of employees and employers in Quebec will also correspond pretty much to what unemployed Quebecers receive. Even if the trend continues, there will be a deficit of 188 million dollars with respect to what employees and employers in Quebec are paying and what Quebecers will be receiving in unemployment insurance.

Therefore, not only is there no longer a surplus, but there are cuts of 32 per cent in federal transfers, and, as is always forgotten, that will be on top of this deficit. Given this deficit, the federal government's expenditure items need to be looked at carefully. We have always said, and it is even truer today, that the most important expenditure items are those which stimulate the economy, such as research and development, purchases of goods and services, expenditures in the agricultural and transportation sectors, and so forth, the expenditures that contribute to prosperity, economic growth and job creation. But in Quebec, these growth promoting expenditures are a concern. For 25 years now, Quebec has indeed had a surplus, but a surplus in terms of unemployment and social assistance benefits. And this surplus situation is attributable in part to structural problems in the Canadian economy. The problem was also that this system did not meet the needs of Quebecers in need.

And so we were told: "There are problems, but do not complain because you are getting larger transfer payments". This is no longer the case. Now, there is no longer any attempt to provide any relief for the increasing unemployment and poverty in Quebec, and, in addition, the transfers necessary for the