

Supply

Last December, the Liberal representatives on the finance committee paid no heed to the Prime Minister's commitment and recommended an across the board surtax on income. This proposal, in the official opposition's opinion, is utterly unacceptable, and I would like to remind you, Madam Speaker, that according to the OECD, individual Canadian taxpayers pay 33 per cent more taxes than the average taxpayer in the United States. We are neighbours, we have a free trade agreement in common and it is inadmissible to have such a disparity between levels of taxation.

The official opposition also warns the government not to make any attempt to use devious means to increase the tax burden of the middle class and others by hitting RRSPs. The Bloc Québécois is also firmly opposed to the option considered by the federal government to impose a one per cent capital tax on RRSPs. I would say to you that this hidden tax, which could net up to 5 billion dollars annually, would be an insidious blow to taxpayers who are trying to plan for a comfortable retirement, at a time when public funds are inadequate and Canadians' savings are at their lowest in thirty years. This would be an ill-considered and irresponsible measure.

Neither should the federal government abdicate its responsibilities by shifting its deficit onto the backs of the provinces. This approach is irresponsible and has been resorted to time and again in the past, by this government. As an example, since 1982, in the health and education sectors alone, the federal government has deprived the provinces of 48 billion dollars—no small amount—by cutting transfers to the provinces, a loss of 12 billion dollars just for Quebec. Members will recall that, in his February 1994 budget, the present finance minister again made additional cuts of over 2 billion dollars in transfers to the provinces.

• (1535)

Since meeting with his provincial counterparts, the Minister of Finance has left open the possibility that the federal government might make new cuts in transfer payments to provinces. This dumping of the deficit and this scheme to force the provinces to shoulder the burden of the cuts to social programs are unacceptable and irresponsible.

The official opposition feels that the federal government must withdraw from provincial fields of jurisdiction and provide full financial compensation. After all, and in spite of what we are often led to believe, transfer payments to provinces are not gifts from the federal government. The money being transferred comes from taxpayers, including Quebec taxpayers.

Between 1982 and 1992, taxes paid to the federal government by Quebecers increased by 121 per cent. Over that same ten year period, financial transfers from the federal government to Quebec only rose by 50 per cent.

If the federal government makes cuts in transfer payments to the provinces, it should also transfer to provinces tax revenues

or tax points equivalent to those cuts, so that the provinces can assume their new responsibility.

The issue of duplication and overlap must be a priority in the government's upcoming budget. Any attempt to eliminate these problems will fail if it is not supported by a withdrawal of the federal government from provincial fields of jurisdiction, as well as full financial compensation. Our friends opposite know that it would be irresponsible for the federal government, after creating duplication by meddling in areas of provincial jurisdiction, to cause a sudden and serious imbalance by withdrawing from social programs while keeping Quebecers' savings and taxes in Ottawa.

I wish to raise a last point. The Liberals have forgotten that the fight against the deficit involves creating jobs. We will create jobs not by cutting post-secondary education funds, as proposed by the Axworthy reform, or by raising taxes, but above all by assuming our responsibilities.

A consensus was reached long ago, in particular in Quebec, on the generalized decentralization of everything having to do with manpower training, job training, the re-entry of unemployed workers into the labour force and even income security. The time has come for the federal government to open its ears and eyes and do what is needed to stimulate employment. It is not by quoting the red book to us every day and telling us that their infrastructure project has created thousands of jobs, when they only created 45,000 casual jobs, that they will convince us that they are concerned about employment. This government must learn the difference between wasteful spending and investing in human capital. That is something it has forgotten in the last year and that is unfortunate.

Finally, last October and last December, when the Liberal majority on the finance committee tabled its report concerning the prebudget consultations, the official opposition made some suggestions to put our finances back in order in the short or medium run, but mostly on the short term. We made these suggestions to allow the Minister of Finance to boast and to reduce the deficit to \$25 billion, or 3 per cent of the GDP, by 1996–1997.

We came up with measures to find the money where it is. Cutting social programs will not help us to straighten out our finances. Let me briefly recall the recommendations we put forward.

The first thing the official opposition suggested was for the federal government to withdraw from the provincial areas of jurisdiction upon which it has encroached since the second world war and from all the areas it has invaded, oftentimes by ignoring the provincial governments' prerogatives. We suggest that it withdraw completely from areas that belong to the provinces, with financial compensation.

• (1540)

This withdrawal must not be drastic, it must not steal away like a thief, but in areas of provincial jurisdiction, it should give