

Supply

As the member has already pointed out, since the report was tabled in December there has been an increase of 300 base points, or 3 per cent. I would remind this House that an increase of 1 per cent represents an additional burden of 1.7 billion dollars. This is why, with the budget soon to be tabled, we are 12 to 14 billion dollars short of our objective to reduce the deficit to 3 per cent of the gross domestic product.

I would like to put a question to my honourable colleague, who said that our problem is one of the main reasons why their future is brighter in an independent Quebec. I cannot believe that an independent Quebec will be in a better position to offer the services that taxpayers now receive.

Take the debt, for example. It is a very good example. The member for Saint-Hyacinthe told us himself this morning that he was prepared to absorb 25 per cent of the debt. Some economists say that this additional burden would drive the debt of an independent Quebec up to 215 billion dollars. That would be 123 per cent of its gross domestic product. There is no way that an independent Quebec can offer the same services that taxpayers are receiving today.

Could the member explain, for the benefit of all those who will soon have to make a decision, how he expects to offer the same services in an independent Quebec without extensive cuts, when the debt burden is so heavy and there is the risk of a premium on interest rates that would add to the load?

Mr. Brien: Madam Speaker, I will be pleased to answer my colleague who, I hope, will be living in that Quebec with us too. By then, I also hope we will be able to convince him because he seems to show a certain interest in that new Quebec.

First of all, I would like to make a few corrections in what he said about the causes of economic uncertainty. As a primary factor, and I hope this is an error, he cited the political situation as a cause of instability over the last year. May I remind him that the greatest instability in interest rates, when they increased the most, in April and May, that was in reaction to the federal budget when the stock markets recognized that public finance had no means to correct the situation. If he has stock market investments, he will be able to check as stock market performance and interest rates are very often at variance.

The federal budget and overall indebtedness are the first factor. Even if some people mention the uncertainty associated with a sovereign Quebec, this is not because of the political regime or because they have concerns about public finances in a sovereign Quebec in view of the present high Canadian deficit.

They themselves implicitly admit that it is the size of the Canadian deficit which causes uncertainty. This has nothing to do with politics. A sovereign Quebec with viable public finances would be of no concern whatsoever to financial markets.

He also stated that a sovereign Quebec would be responsible for 25 per cent of the debt and that my colleague had mentioned that this morning. He probably remembered part of what my colleague said. The latter probably said that this is what the Liberal and federalists would want. If I may give an example, the Bélanger-Campeau commission which examined this subject indicated that we do not share only one side of the balance sheet, we share the assets and the debt, both sides.

• (1340)

When we add this all up and look at it from an assets standpoint, we arrive at a figure of 18.5 per cent. Since we are contributing 23 per cent of federal government revenues, and taking on 18.5 per cent of the debt, this means a significant gain on top of savings in overlap. There will no longer be two departments of revenue, two departments of the environment, two departments of whatever. I could go on a long time. This will eliminate problems for business, which has to meet the different environmental standards of Ottawa and Quebec City, complete tonnes of forms, GST reports, QST reports. Our business people will use this time to concentrate on what they do best: improve the economy. This will be good for Quebec and good for Canada. I hope Canada's economy will be as strong as it can be, because Canada will be our principal trading partner.

I have no concerns about the viability of a sovereign Quebec. I am perhaps a bit more concerned, sincerely, about the viability of a Canada without Quebec, since it will have to redefine itself, and the process has not yet begun. It will be hard to adjust quickly.

Things are happening in Quebec. A lot of people are taking part in the regional commissions. They are expressing their ideas. They are describing their vision of Quebec in the future. And as I said, it is completely different from what I hear people talking about here. There, they are talking about equity, redistribution and social justice. Here, people are talking about reforms to social programs that involve cuts affecting the disadvantaged in order to improve public finances.

There are other ways to improve public finances, and I think the approach of a sovereign Quebec will show the way, and we can become an international example on how to turn public finances around and achieve sovereignty democratically. Quebec knowledge and know-how will become an international export.

[English]

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I cannot believe what I am hearing here today from this member