

Government Orders

with no personal income tax increases. They are real reductions, despite what the member opposite said.

In the first year we will cut expenditures by \$3.9 billion. In the following year, 1996-97, it will be \$5.9 billion. In the third year of the plan it will be \$7.2 billion. That is a decline in a three-year period of almost 19 per cent. It is the largest decrease in government since we demobilized after the second world war.

The minister in establishing the budget did two very important and prudent things. First, his estimations in terms of growth and interest rates were very prudent. In terms of growth he projected a smaller amount than what the average private sector suggested. In terms of interest rates, both short and long term, he set his projections higher than what the private sector was suggesting. He built in a cushion to ensure that the budget is fiscally responsible.

Second, he set up contingencies in the next two years: a contingency of \$2.5 billion in the first year and a contingency of \$3 billion in the second year. He has made what I believe is an important commitment, that if he does not need the contingencies to achieve his deficit reduction targets the moneys will be used to further reduce the debt.

The minister has gone about setting a budget like we do when we set our household budgets or our small business budgets. He has taken what was in front of him, set out a reasonable plan over a reasonable period of time, built in contingencies and come up with a strong, workable plan.

In addition to the fiscal responsibility the minister has recognized the social responsibility. Although we are to cut some funding from social programs, it is important to remember that when the budget is fully implemented we will be spending as a government more than \$50 billion on the social safety net of the country, more than \$50 billion to protect the men, women and children of Canada. That is an important principle which the minister understands. It is an important Liberal principle and I am proud to sit with a government that recognizes it.

It is a budget that is fair and equitable because it asks all segments of Canadian society to participate in the exercise. It does not ask one part of Canadian society to carry an unfair burden. It is not suggesting that some segments should not have to participate at all. That is why the budget covers a wide range of areas.

• (1325)

Large corporations have been asked to participate by providing some increased revenue. They have been asked to participate by a decrease in subsidies going to businesses.

The federal government is putting its own house in order first. It is going to cut its expenditures by 19 per cent. That is the largest part of the cut.

Individuals have been asked to participate as well, as they should, not through increased income tax, not through taxing RRSPs, not through taxing dental and health benefits, but through a modest tax on gasoline.

He asked the provinces to participate as well. He asked them for a 4.4 per cent participation which is only half as much as what the federal government is doing itself. I think that is important. It is absolutely ludicrous when provincial premiers suggest that we as a government should totally exempt them from participating in the deficit reduction exercise.

Finally, as members of the finance committee which did a prebudget exercise unlike what the member opposite suggested, we adhered to the three principles that came out of the committee meetings. The first was that expenditures should be the largest portion of the action, not taxes. We did that with a 7:1 ratio. Second, we had to get our own house in order first. We did that with a \$29 billion three-year cut in our own expenditures or a cut of 19 per cent. The third was that we would be fair and equitable. We did that by having all segments of Canadian society participate.

In conclusion, let me say unequivocally that I support the budget. I support the Minister of Finance. I support the government. We have achieved the dual objectives of fiscal responsibility and social responsibility. I am proud of what the minister has accomplished.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I thank you for this opportunity to comment on the budget tabled by the Minister of Finance last Monday. Beyond the rhetoric and eloquent speeches, a cold hard look at this budget uncovers the extent and consequences of the federal system's inability to reform and to respond adequately to the aspirations of Quebecers and of Canadians.

Author Jean-François Lisée recently published two works whose titles are evocative of the con job the government has just pulled, the havoc it has wrought, and they are in the back of my mind as I analyse the unseen side of the finance minister's budget, the hidden aspects of its condescending rhetoric which does not tell us the truth about what is really at stake.

First of all, this budget misleads Canadians when it purports to be hard on everyone. This is not the case. It attacks the neediest members of our society, who will bear the brunt of the major cuts, and leaves undisturbed the large corporations and banks. Large corporations will still be able to escape the tax man, and banks will be taxed very minimally, compared to their astronomical profits.