

The Budget

To do this we have implemented a transition process that encourages the individual to more self-reliant, more entrepreneurial, stronger as a community and less dependent on government programs and subsidies.

When the constituents of Cumberland—Colchester elected me to represent them I knew I would be coming to Ottawa at a very crucial time in our history, that I would be part of a government with a fiscal policy that would either make or break Canada, and that the Liberal Party would be the one to ultimately bear the responsibility of piloting the country out of deficit financing.

Canadians from coast to coast told the House that reducing the deficit and debt must be the number one priority of the government. They know how the deficit is like an albatross around the neck of each and every one of us and of future generations to come.

The government accepted the challenge, not only with the budget but with several budgets to come in the future, to work toward a balanced budget. It is not politically expedient but it is the right thing to do.

The measures taken in the budget will ensure that Canadians can face the economic challenge of international competition and that we will be able to do so with growth and confidence. The budget is about restoring confidence in government and confidence in the Canadian economy.

Measures that were taken last year in the first budget of the government showed positive results in our economy. Economic growth is at 4.5 per cent, the strongest of the G-7 nations. The most impressive year ever in Canadian exports was 1994. We showed a massive trade surplus with the United States. Inflation was at its lowest in three decades. There were more improved business profits than ever. Some 433,000 full time jobs were created last year.

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The same implementation that saw the economy grow resulted in the annual deficit being reduced by \$4.4 billion, lower than was budgeted for the fiscal year ending in a couple of weeks. That is the reality. That is progress in deficit reduction.

If we are to compare ourselves with the G-7 countries on how well our economy is doing, it seems only reasonable to compare ourselves and our debt situation to those of the G-7 countries.

It is sad to say that our net government debt as a nation is over 84 per cent of GDP second only to Italy of the G-7 countries. In comparison the United States has a net public debt of 32 per cent of GDP, while Japan's is around 10 per cent. It was therefore mandatory that the finance minister demonstrate in the budget not only to the nations of the world but to the financial lenders

that Canada was serious about reducing its deficit and the high per cent ratio of debt to GDP.

Investors have been satisfied with the budget as have Canadians, but I must remind the House that it is only the beginning of a series of tough budgets until we have won the war on debt.

Cuts in government spending mean pain. The budget is about pain. However the pain was spread fairly to all regions. In the west grain transportation subsidies were eliminated while in the east the Atlantic region freight assistance program was abolished. However both the west and the east including Quebec will receive transitional funding, helping alleviate shipper hardship and upgrade transportation infrastructure.

Last week when I was in my riding I met with public servants whose jobs are being cut because they are classified as surplus or because long established forestry agreements were not renewed. These people are feeling the pain of the budget. However, after looking at options in the transition, one forester said to me: "Even though we are losing our jobs this had to be done and I would still vote for your government".

The people of Nova Scotia did not want me to come here to whine about the cuts. They wanted me to congratulate the finance minister for having the courage to do what he did. The people of Nova Scotia have a tradition of self-reliance and a grassroots fighting spirit. They have an entrepreneurial spirit that goes back to shipbuilding and merchant fleets of the 19th century.

The people of Nova Scotia know that the backbone of the economy is small business and that jobs will come not from government but from the private sector. The economy of Atlantic Canada is the fastest growing in the country. Atlantic Canada ended 1994 with the highest rate of growth per capita. It was 2.7 per cent, the highest of all the regions, followed by the prairie region with a rate of growth per capita of 2.5 per cent.

Dairy farmers in my riding are like dairy farmers across the country. They will see their subsidies cut by 30 per cent over two years. Public utilities will see the energy subsidy eliminated through the Public Utilities Income Tax Transfer Act. Alberta and Nova Scotia are affected by the change. The Nova Scotia Power Corporation has already indicated that higher rates are to be expected, which in turn hinders small business development. There is pain with the budget, but as the old saying goes no pain, no gain. The people of Canada have accepted the pain knowing there will be real gain in the months ahead.

The women of Canada have a greater appreciation for the budget than anyone. Many women have spent their lives living within the household budget and living within their means. I would bet there is not a woman in the country who has not at one time or another in her life watered down the stew and thrown in another handful of barley simply to stretch the pot of stew for another meal. The money she would save would go to buy a dress or a pair of shoes for a child who has a very special