

*The Budget*

[Translation]

**Mr. Jean-Paul Marchand (Québec-Est, BQ):** Mr. Speaker, actually, I agree with what the hon. member was saying when he described the following rather gloomy prospects for the Canadian economy: "We are headed for an economic collapse, and we are going down the steep and narrow path to national bankruptcy".

● (1330)

National bankruptcy is what we see looming as a result of the budget that was brought down this year. This is one of the reasons, just one but a major one, why Quebec would like to separate from Canada. Canada's budgetary and financial affairs are a mess and are leading straight down the road to disaster, to bankruptcy. This is more or less what was said by financial advisers on Wall Street.

Personally, I do not want to see the poor and the elderly in Quebec in a position where they cannot count on the support of social programs, as the hon. member pointed out. This Budget is terribly unfair to people who depend on social programs.

This Budget will cut \$100 million annually in funding for social housing alone, a program that is targeted to the poorest members of our society. Single parent families, women, the elderly, people who live alone, welfare recipients: they all belong to the poorest social group in our society. This group will be affected by cuts of \$100 million annually, while the banks get off scot-free or almost, with very few cuts, in fact \$100 million over two years, the same Canadian banks that last year made a net profit of \$4.3 billion. These cuts represent not quite 2 per cent of their net profits.

I may also add that family trusts will not pay a cent.

In concluding, I want to say that I fully sympathize with what the hon. member said, and I would like to ask him the following: If he were in Quebec, would he not agree that the best solution, at least for Quebecers, is sovereignty?

[English]

**Mr. Morrison:** Mr. Speaker, I thank the hon. member for his very dramatic intervention. One thing puzzles me. I know the hon. member is an economist, yet in his intervention I detected hints of three economic theories all warring in the same breast. I heard a bit of Adam Smith. I heard a bit of Engels perhaps and a great deal of John Maynard Keynes.

As far as his immediate question regarding secession is concerned, is the hon. member suggesting that if they bail out and leave the sinking ship of state they will not be required to man any of the lifeboats? They could get off scot free after having benefited from the largess of deficit spending for lo these 20 years. Now they will leave us holding the bag and take nothing. Is this what the hon. member is saying?

[Translation]

**The Deputy Speaker:** I am sorry, you will not have an opportunity to respond as your time is up. Resuming debate.

[English]

**Ms. Roseanne Skoke (Central Nova, Lib.):** Mr. Speaker, I rise in the House today in support of the budget tabled by the Minister of Finance.

The fundamental objective of the 1995 budget is sustained growth and job creation. The budget takes far reaching actions to reduce spending and to reshape the role of the federal government in building a stronger, more dynamic Canadian economy.

The budget is aimed at restoring fiscal health and refocusing government on key priorities and needs. It is about getting government right so that Canadians can get the economy right.

It is the biggest Canadian budget since post-war demobilization. It delivers on the commitment to meet our fiscal targets using prudent economic assumptions. It cuts the deficit largely through expenditure reductions. It restructures spending to keep the deficit on a downward track. It puts the government's own house in order to make it smaller, more frugal, better managed and innovative.

It defines a new role for government in the economy. It reforms federal transfers to provinces. It points the way to reform of unemployment insurance and the public pension system. It distributes the burden of restraint fairly among Canadians and the regions of Canada.

● (1335)

The deficit and debt are national problems. The budget distributes the burden of restraint fairly across all regions. Canadians in every region have strongly urged us to bring spending under control. Some individual measures obviously affect certain regions more than others, but looked at as a whole no region is being hit disproportionately.

The budget shows that federalism is flexible and dynamic. Although we are cutting the level of transfer payments, we have given the provinces ample notice as promised and the cuts are less than those we are imposing upon ourselves. The government remains committed to the equalization program, a pillar of Canadian federalism.

The new Canada social transfer will give all provinces greater flexibility in designing social programs while the principles of the Canada Health Act are maintained. The introduction of the Canada social transfer in 1996-97 will deliver funding to the provinces, cash and tax points of \$26.9 billion. That is a drop of about \$2.5 billion from what provinces could expect under the current system.