

REFERRED TO COMMITTEE

The Hon. the Speaker: Honourable senators, when shall this bill be read the third time?

On motion of Senator Graham, bill referred to the Standing Senate Committee on Legal and Constitutional Affairs.

VISITORS IN GALLERY

The Hon. the Speaker: Before we proceed to other items on the Order Paper, I should like to draw to the attention of honourable senators the presence in the gallery of representatives of the Canadian and Manitoba Beet Growers Associations, who held their national convention here in Ottawa this past weekend.

Hon. Senators: Hear, hear!

BANKING, TRADE AND COMMERCE

STUDY OF STATE OF CANADIAN FINANCIAL SYSTEM—CONSIDERATION OF REPORT—DEBATE CONTINUED

On the Order:

Resuming the debate on the consideration of the thirteenth report of the Standing Senate Committee on Banking, Trade and Commerce, entitled "Regulation and Consumer Protection in the Federally-Regulated Financial Services Industry: Striking A Balance," tabled in the Senate on November 22, 1994.—(*Honourable Senator Angus*).

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, while I do not wish to spend a lot of time engaging in this particular debate, I do have a couple words to say that I would prefer to say at some later time. Rather than try to fool you into thinking that my motive is pure, my real motive is to breathe new life into this motion because I have a couple of colleagues who are interested in speaking on it. In order to get this back to day one and the clock ticking again from the beginning, I move the adjournment of this debate.

On motion of Senator Berntson, debate adjourned.

[*Translation*]

THE BUDGET 1995

STATEMENT OF MINISTER OF FINANCE—DEBATE CONTINUED

On the Order:

Resuming the debate on the inquiry of the Honourable Senator Spivak, calling the attention of the Senate to the budget presented by the Minister of Finance on Monday, February 27, 1995. — (*Honourable Senator Bacon*).

Hon. Lise Bacon: Honourable senators, when it brought down its budget on February 27, the federal government acted decisively to rein in the deficit that is eating away at our economy and to start paying back this enormous debt that has mortgaged our future.

Canada intends to meet the challenges of the year 2000 and remain one of the best countries of the world, but it cannot hope to do so unless it restores the fiscal health of this country.

We know that these are the most vigorous budgetary measures introduced by a federal government in 50 years. Canada had no choice. Reducing the deficit is important if we want a healthy economy, which in turn is necessary to ensure the future health of our social programs and maintain our standard of living.

We have the best rate of economic growth of any G-7 country. Last year, 433,000 full-time jobs were created. Economic growth peaked at 4.5 per cent, our best performance in six years and the highest rate among OECD countries. Canada's exports have never been higher.

However, there is a very real threat to the economic future of this country because of a debt of \$500 billion, which makes us extremely vulnerable to swings in interest rates. This makes it imperative for the government to be firmly committed to creating the kind of economic climate we need to take full advantage of the resources we have.

The budgetary measures introduced by the government are aimed at reducing the deficit to 3 per cent of GDP by 1996-97. Some people claim that the markets dictated the content of this budget. My answer to that is that this government was guided by its commitment to building a more prosperous and more secure future.

To stabilize public finances, we had to reconsider the role and the very structures of government. We have therefore eliminated or downsized certain programs, while others have been restructured or regrouped. A number of activities will be commercialized or privatized, while others will be transferred to other levels of public administration.

Certain services such as foods and meat inspection, drug qualification and fisheries control will now be subject to cost recovery and user fees.

These changes will affect the delivery of the services provided to Canadians. It would be silly to say otherwise. We are committed, however, to carrying out the required reform in a fair-minded way and in compliance with the principles of social fairness that have always governed the actions of Liberal governments.

This budget is a major building block of our collective future, the dividends of which Canadians themselves and their children will reap in the years to come.

Honourable senators, the deficit and the debt are national problems. Canadians from all regions have asked us to cut expenditures.

Subsidies are not creating lasting employment. No one was more adamant about this than the business sector itself, and people are coming to the same conclusion all over the world.

Therefore, this is a harsh budget, of necessity, but also a fair budget. It does not target any group or region in particular. In this budget, cuts are shared equitably among industries, generations and the various regions, and the principles of equity among individuals and regions are upheld to the fullest extent.