

Government Orders

He prompts me to ask the following question when he says that the federal government has put its house in order in its budget and that the provincial governments should do the same. I would like to hear his comments on this matter. Of course we want to see the federal government put its house in order; that is what we have been asking it to do since we were elected.

I would like the hon. member to comment on the reduced transfer payments under the new Canada social transfer, with cuts of \$2.5 billion next year and \$4.5 billion every year thereafter. Does the member think that that it is a good way to reduce spending if, in the end, it costs the provinces more to maintain the services which their money was already used to provide?

I would say that yes, the federal government has been putting its house in order, but only by dumping problems in somebody else's backyard. Is this what it calls flexible federalism, the brand of federalism it prefers? I would like to hear the member's comments on this subject.

Mr. Paradis: Mr. Speaker, I thank the hon. member for his question. First, I must say I have just been through an election campaign in Brome—Missisquoi where I met many citizens. The citizens of Brome—Missisquoi, as those of other regions in Quebec, have asked for a budget that would not increase personal income taxes and that would trim the fat.

This is exactly the kind of budget that minister Martin presented. When we speak about putting our financial house in order, and that is what trimming the fat is all about, I think that Mr. Martin's budget does just that. The other part of the member's question deals with the new Canadian social transfer program.

The minister announced that this new transfer program would be implemented only a year from now in order to give the provinces the opportunity to adapt to the new realities. This new Canadian social transfer program gives Quebec a global envelope where budgets for universities, health and social programs will be consolidated and the province will be free to manage them as it pleases. This is what we mean by new, progressive, flexible federalism.

As for the amounts mentioned by my colleague, I must say that the global cuts in federal programs account for a decrease of 7.3 per cent for all federal programs here in Ottawa.

But, for a year, the cuts in provincial programs will mean a reduction of 4.4 per cent only. The federal government is much more severe with its own programs than with the provinces and this is very important. It would be important also that Bloc members go back to their ridings and meet with their constituents. They would see that this is the type of federalism they want.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the hon. member says that during a recent election

campaign his constituents told him certain things. There must be farmers in Brome—Missisquoi and I would like to know whether they told him they would like to see a 30 per cent cut in the dairy credit.

This will drive up milk prices and penalize low-income families. Did anyone tell him that when he was seeking the votes of farmers in Brome—Missisquoi?

• (1515)

Mr. Paradis: Mr. Speaker, it is with pleasure that I reply to my colleague. During the election campaign, farming was, of course, one of the topics, particularly in a riding such as ours, which borders the United States. Given its location, the new GATT and NAFTA international trade rules are important at this time.

I am on the point of creating a sort of advisory committee with all the farmers in Brome—Missisquoi to look at how we can adapt as quickly as possible to the new international trade rules, including those of NAFTA. The State of Vermont is across the border from the riding of Brome—Missisquoi and I think that together with the farmers not just in my riding but throughout Quebec we will find ways of adapting to the rules of the new world economy.

[*English*]

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, it is a pleasure to rise in this House to address second reading of Bill C-76.

As I have stated previously, this budget may be viewed by future historians as a watershed budget. It is a very definite turning point in the history of this government, in the government of the day, when it had the courage to make the really tough decisions, to make the necessary cuts in spending in accordance with responsible financial management.

The budget redesigns the very role and the structure of government. It is a budget which achieves large savings to reach the deficit reduction targets set out in our red book plan. This budget is the cornerstone of the foundation of sustainable finances, sustainable social policy and sustainable economic policy for the future of Canadians. The budget is about nation building. It is about values and principles rooted in fairness among the regions, compassion, and above all, economic and financial leadership.

The future of the country is at stake with a debt of \$550 billion and annual deficit budgets for more than a decade now. Because of this, a huge portion of government revenues are consumed by the cost of servicing this deficit and debt, money that could otherwise provide services and programs for Canadians or better still, reduce the amount of taxes we pay. The unexpected increase in these rates since last year's budget has put tremendous pressure on deficit targets. Meeting our targets is essential to strengthen confidence and bring interest rates down. This in