

Yet, the objective he unveiled of reducing the deficit to \$25 billion can be found in the famous Liberal Red Book that appeared in September 1993, four years before the target date.

Is it possible that the date for a balanced budget will be announced in the next red book, just before the next election?

Like many other senators, I have some experience of the world of business. In particular, I am familiar with the importance of financial planning. I know that Mr. Martin, who also has very solid business experience and is quite aware of the importance of financial planning. I am sure, for instance, that when he had the opportunity to buy Canada Steamship Lines from Power Corporation, he would have asked himself some serious questions about the long-term prospects of the company. He would certainly not have been content with a two-year forecast.

While we applaud the government's efforts to reduce its spending, we would still have liked to see some sign of an employment program or strategy, that being the best guarantee of lasting economic renewal.

Far from being disturbed by the excessive number of unemployed Canadians, the minister finds acceptable an unemployment rate of 9.5 per cent this year and 9.4 per cent for the following year. However, we have not forgotten the number one election promise of our friends across the way: "Jobs, Jobs, Jobs"!

The only concrete initiative taken by this government was the famous infrastructure program, and even this program was cut by \$200 million, although the Minister of Finance certainly did not brag about it in his budget.

The method chosen to reduce transfers to the provinces is not much more logical. For example, the provinces have been asked to discuss national standards with respect to health and post-secondary education, areas of provincial responsibility from which the federal government is trying to withdraw.

[English]

• (1430)

In all, the federal government announced over \$8 billion in cuts to transfer payments. In the Red Book, which precedes and is still more revered than the budget in Liberal circles, we can read:

Expenditures reductions will be achieved by cancelling unnecessary programs, streamlining processes, and eliminating duplication. This effort will take place in partnership with provincial governments.

Did this government consult the provinces on the cuts announced February 27? No.

The minister also claims proudly that "...much of the federal overlap with the provinces has been eliminated." On page 21 of the Red Book, we read:

Creating jobs and economic growth in the 1990s requires a renewal of fiscal federalism, including unprecedented cooperation among federal and provincial governments. Canadian governments must coordinate their policies and eliminate duplication in areas ranging from transfer payments and income support to taxation and trade barriers.

Was this the case? No.

Before he became Prime Minister, Mr. Chrétien vowed not to touch transfer payments to the provinces. In this budget, cuts to transfer payments represent about one-third of total cuts. In light of this spectacular reversal, the least the government could have done would have been to spell out clearly their vision of this new relationship between the federal government and the provinces.

However, the most obvious bottom line of this budget is that promises made in the Red Book and elsewhere, both before and after the election, were forgotten. What, if anything, does this government stand for? Perhaps the answer lies in Mr. Chrétien's autobiography — a recent best seller in China — wherein he wrote:

That is one of the great things about being a Liberal; you can base your decisions on the circumstances, without having to worry about your established public image.

As the well-respected columnist Andrew Coyne noted recently in *The Globe and Mail*:

In other words, a Liberal does whatever works, or whatever the situation demands, or whatever will get him elected, but never for any reason that could be identified as a political philosophy.

[Translation]

Driven by financial need, the federal government could have redefined federalism and the distribution of powers between the federal government and the provinces. Unfortunately, it followed the approach it uses in so many other areas: on a piecemeal basis, without an overall plan, without any obvious logic other than fiscal constraints.

Everyone agrees that the provinces must assume more responsibility in several areas. That is what they want, anyway. However, in a federation like ours, which is based on respect for jurisdiction, the relations between the various levels of government must not be upset without consultations or without an overall vision.

No real consultations took place before the budget, and no overall vision came out of the budget.

In closing, I must mention something that struck me, namely that the Minister of Finance failed to mention the GST.