

The Budget

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Madam Speaker, I would certainly like to thank the hon. member for Notre-Dame-de-Grâce for his speech, but at the same time remind him that we have one thing in common: we both represent ridings in the Montreal region. And someone who represents a Montreal riding is automatically sensitive, like the hon. member for Notre-Dame-de-Grâce, to the issue of poverty and to the hardship that the past two recessions, the last one being the 1982 recession, imposed on a good many of our constituents.

I find the hon. member very courageous, because he belongs to the government majority and it is to his honour that he is able to rise above the prevailing opinion. However, I told myself that he is asking us to remain keepers of the social conscience. He is asking us to make sure that we have an interventionist government and that we maintain one of the government's reasons for being, namely redistribution.

However, we have diverging views on the causes of the deficit. What I found surprising and very pleasing about the hon. member's speech, and I say this without any ulterior motive, was that he states that his government has no other choice but to cut transfer payments. By doing this, his government could destabilize provincial governments and force them to cut services which are basic necessities and financed through the Canada assistance plan.

I would like to hear the hon. member's opinion on the causes of the deficit. As far as we on this side of the House are concerned, the deficit is caused by the fact that it is impossible to maintain a continental country like Canada: Canada is the first and last example of a federation with a narrow ecumene stretched out between two oceans. We say that one of the causes of the deficit—when we analyze how we got into debt—is that we have had a strong central government which meddled in jurisdictions in which it had no right to. The hon. member will recall that he was a member of Parliament when Ottawa created, for example, a department for urban affairs and for recreation, which, under the constitution, were in no way related to the powers granted to the central government.

I would like to know if the hon. member will agree with me that it would be much simpler for Canada and for its financial situation to reorganize the country to give Quebec more power and for Quebec to create its own national government and for us to begin dialogue on the basis of our status as associated states.

• (1645)

[English]

Mr. Allmand: Madam Speaker, The principal causes of the deficit are speculation in currencies which cause changes in the

interest rates and globalization of economies which allows large multinational corporations to manipulate and speculate on products, derivatives and currencies. For example, I was told yesterday by a prominent member of government that each time interest rates go up by 1 per cent it costs us \$1.7 billion per year in additional payments on our debt. If it goes up by two points it is twice that amount. Those are the types of things that cause the deficit.

In addition, many people are getting away without paying the taxes they should be paying. The tax system is not fair. There was some movement in the budget to correct it. I applaud that and I support that but it did not go far enough.

With respect to the other question the member asked regarding a new way of arranging Canada, I supported in the House and voted for both the Meech Lake accord and the Charlottetown accord. Both were eventually defeated. Those accords would have rearranged the structures in Canada.

I believe in maintaining and even increasing the payments to the provinces for social programs, but I also believe that national standards should be set by the federal government. The federal government can equalize opportunity and care throughout the country. That is the humane thing to do.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Madam Speaker, it is pleasure to rise in the House to take the opportunity to address the second budget of the government as presented by the Minister of Finance on February 27.

I expect in the final analysis the budget of February 1995 will go down in history. It will be the budget that made a significant difference in Canada at a time when Canada was at a crossroads.

The budget will be viewed by future historians as a watershed budget, a turning point in which the government of the day had the courage to make the tough decisions and to make the necessary cuts in spending in accordance with responsible financial management.

While the budget makes drastic and unheard of changes to the face of government through spending cuts, it does so with fairness and compassion. Programs that are efficient and effective in serving Canadians will remain, but programs that are obsolete, redundant and dysfunctional will be eliminated. The budget prepares us for the inevitable trend of the 21st century, which is less involvement by government in the lives of people.