

Supply

The Minister of Finance recently announced that program spending would be reduced by restructuring the social security system, reforming the unemployment insurance system and reducing transfers to individuals, for example, family allowance payments. However, the minister also announced that total budgetary spending would increase by \$2.8 billion until 1996. This increase includes debt servicing charges. In fact, despite the cuts announced by the government, overall program spending will continue to increase. In essence, all the government is doing is reallocating expenditures without actually reducing government program spending. It is not tackling head-on cases of waste and mismanagement within the system. Instead, it is targeting social programs.

The government has not addressed the root of the problem. Instead, like its Conservative predecessors, it hopes that the anemic economic recovery—a recovery that it has failed to stimulate—will get state revenues back on track. The government's economic growth and inflation hypotheses are realistic. What is not realistic, however, given the growth of the underground economy, is the government's belief, as reflected in the budget, that government revenues will increase at a faster rate than the Gross Domestic Product. In short, the government is counting on the weak recovery to bring down the current deficit.

• (1635)

How, under the circumstances, can the government justify increasing its level of spending, all the more so when we know that it is currently seeking the authority to borrow \$34.3 billion for 1994–95 in order to meet its financial commitments?

Mr. Speaker, I find it unconscionable that the budget provides for an increase in public spending up until 1996. It is absolutely essential for the government to eliminate waste before it can put public finances in order. The government must give the example; it must restore public confidence as well as its own respectability. There are a lot more savings to be made by eliminating waste than by making cuts to social programs. Freezing public servants' salaries, restructuring public services and increasing the middle class tax burden are last resort solutions. There are other options still.

For the last three years, the Auditor General has identified waste or unnecessary expenditures totalling no less than \$5 billion annually. This year, the Auditor General has discovered \$700 million more in squandering than in the previous fiscal year.

Merely implementing the Auditor's recommendations would bring enormous relief, without any tax increase or social programs cuts. The equation is a simple one.

Taxpayers are fed up because they feel that the government is wasting public money and is after the middle class, which is overburdened with taxes. Five years ago, governments were making the same frivolous expenditures and wasting just as

much, but nobody said anything. Today, because of the pressures resulting from the appalling state of public finances, such mismanagement is strongly denounced.

Fiscal consolidation is a must be carried out at the federal level to restore confidence among Quebecers and Canadians.

The chronic weakness of our economy is not due to a bad performance of our foreign trade but, rather, to the stagnation of domestic demand. The deficit must also be reduced because interest on Canada's foreign debt is the highest among G-7 countries.

Deficit reduction is conditional upon reducing public spending and waste, as well as eliminating tax unfairness. This streamlining exercise could result in savings of \$10 billion. Of that amount, five billion dollars could be invested to stimulate employment, including by building a high-speed train line, whereas the other five billion could be used to reduce the deficit. Such an initiative would do a lot to restore taxpayers' confidence.

The government must give the example and restore public confidence. A true social contract must be based on a sound and balanced tax system. Unfortunately, it is a fact that over the last two decades governments have only contributed to create an imbalance between taxes paid and services provided by the state to taxpayers.

In order to eliminate waste, unnecessary spending and mismanagement within the government administration, the Bloc Québécois proposed that the government set up a parliamentary committee to review each budget spending item, and it is asking that such a committee be created.

• (1640)

Setting up such a committee is justified because the latest Auditor General's report showed that Quebecers and Canadians who believed that some public funds were wasted were right.

[English]

That is the reason we want to create an analytical and revision committee of the governmental spending programs formed by elected representatives and not by civil servants. We believe elected representatives are entitled to supervise and ensure that the objectives of the different spending programs comply and that the allocated public funds are spent with efficiency, effectiveness and equity.

We believe that Parliament does not receive the appropriate information pertaining to the results of the different ministries and crown corporations wasting thousands of millions of dollars of taxpayers' money.

Guided by the report of the Auditor General of Canada we believe that the wasted public funds and the different cases of mismanagement are drops in the ocean.