

*The Budget*

recent tour, many groups and individuals, more than 1,000 Canadians, came and told us basically that what they needed most was not training, although it was often requested, but rather jobs, decent jobs.

There is strictly nothing in the budget on this matter. The budget is silent for some incomprehensible reason. It is silent, while budget cuts alone lead nowhere in terms of dealing seriously with the deficit and debt problem. Yes, the minister made a step in the right direction, but you need only take a good look at the budget to see that the debt will not be reduced this year, on the contrary, and that a deficit reduction was achieved at the cost of great and extremely difficult sacrifices. Considering that a single percentage point will make \$1.7 billion difference in debt charges, it is obvious that we must not look only at cuts.

We must not for the sake of the debt, of course, but above all for the people whose livelihood depends, right now, on their jobs or the hope of getting one. All over Canada, people have told us that they were prepared to talk about social programs and social reform, but not in the context of further cuts. They told us also that Canada was no leader in terms of social programs. Recent OECD statistics clearly show that Canada's social expenditures are below OECD average, at the same level as that of New Zealand's, for the information of New Zealand admirers.

What does this budget say? It tells us that another \$7.5 billion will be cut in social programs between now and 1998. I say "another" because we must not forget that the previous budget passed in this House also provided for a \$7.5 billion cut in social programs. So, this makes two times \$7.5 billion, or a total of \$15 billion, in cuts in social programs over a period of four years. That is what we learned following a leak, when the Minister of Human Resources Development announced his project. In the end, after this whole exercise and after the bickering among Liberals, we realize that what was the plan in October is now in the Minister of Finance's budget, in spite of all these consultations.

People said: "The government can no longer cut into social programs". Yet, the expected cut is being made, in spite of the problems that it will generate. What else does this budget tell us? We see that the federal government is backing away from funding in health, education and welfare.

• (1725)

I use the term "backing away" because the federal financing of these sectors is reduced to such an extent that the provinces will experience increasingly more serious problems. The merging of the old financing, education and health programs, as well

as social assistance, is called the Canada Social Transfer. This transfer hides two realities mentioned in the budget. First, because of this Canada Social Transfer, if there is a recession, the provinces will have to fully assume the additional costs related to the increase in the number of people relying on welfare. That is what I mean by backing away, Madam Speaker.

The Canada Assistance Plan, which was far from being perfect, was based on the financing, by the federal government, of provincial programs designed to help the poor. The federal government is now eliminating that structure, claiming that it will provide more flexibility. But where is the flexibility for the provinces? The federal government is not transferring responsibilities to the provinces: they already had them. Rather, it is transferring costs and, in fact, leaving the provinces to look after the problems, while knowing full well that, in the end, it is Canadians who will pay the price, and in a very dramatic way.

I will repeat a comment made by the hon. member from British Columbia who spoke just before me. She said that the government was giving back to the provinces the power to spend because they are in the best position to do so appropriately. Why is it that the government is giving back to the provinces funds which are dwindling and about to disappear? The federal government is telling the provinces to use their imagination, when it is in fact dumping its problems on them.

But there is money available, even though that may come as a surprise to you. There is a hidden fund which explains why the budget may have looked better than expected. I am referring to the UI fund and the programs financed through that fund. Quebec asked for the control of the whole manpower sector, or at least as regards vocational training. There is money for that. Where will that money go? Unfortunately, when there is money available, the federal government does not think that the provinces are in the best position to show some imagination, to know what the public's needs are, and to help Canadians. No. The federal government only recognizes the ability of the provinces when they are forced to live with cuts, to make hard decisions and to look like the culprits.

However, when the provinces could have the tools to promote employment and define meaningful strategies, then the federal government prefers to remain in control.

Thanks to the UI fund, the federal government can, in its budget, make proposals which almost go unnoticed. One such proposal is the new investment fund for human resources.

**The Acting Speaker (Mrs. Maheu):** I am sorry to interrupt the member for Mercier. You will have ten minutes after the vote.