

*The Budget*

Over the last year we have spoken with many Canadians about what the 1992-93 federal budget should do for Canada. These Canadians from every walk of life told us that they want realistic lasting solutions to Canada's economic problems and not quick fixes that were tried in the past and failed.

They want us to cut the deficit. They want us to cut government waste and duplication and to streamline government operations. They want us to better prepare our youth and our labour force to meet the challenge of a brand new global economy in which we find ourselves competing. They want us to be compassionate and caring with our social programs, especially protecting the more poor and needy Canadians.

This government listened and responded with action in these very difficult times.

In this budget we will substantially reduce the deficit. We will cut spending. We will cut taxes. All 14 million Canadian taxpayers, 1.5 million in my own area of Canada, Atlantic Canada, will have their income taxes reduced this year.

We will restructure and streamline the operations of government. We will increase support for research and development in our industries, in our economic sector. We will reduce the tax burden from manufacturing and the processing sector. We will enhance our assistance to small business.

We will streamline and enrich support for families and for children and we will introduce a home buyers program whereby Canadians can access funds from their RRSPs to buy or build a home. We will increase our support for Canadians with disabilities and we will provide additional tax assistance to our students.

This is what Canadians asked for in our consultations. Canadians asked, we listened, and we delivered.

This is an appropriate budget for Canada in these trying times. I support it and I call for all members of this House to do so as well.

**The Acting Speaker (Mr. Paproski):** I would like to clarify that the two speakers with 10-minute speeches will be the hon. Minister of Veterans Affairs and the hon. member for Manicouagan. There will be five minutes for questions and comments.

**Mr. David Kilgour (Edmonton Southeast):** Mr. Speaker, I wonder if the minister could answer a question. His

government is either getting rid of or reducing a number of agencies.

Let us take the Economic Council of Canada. Does the government really think that getting rid of the Economic Council is sound public policy at a time when our economy is in enormous difficulty largely because of the policies of this government?

I will try to make this simple. A friend of mine who has six children told me the other day that the government has ruined our natural resource exports by its high dollar and formerly high interest rates.

The government is now spending about 300,000 ounces a month of the Bank of Canada's gold in an attempt to try to keep the dollar above 84 cents currently and in an attempt to try to fool Canadians into thinking that it has reduced the deficit, which of course it has not.

The government's spending has been about \$30 billion a year during six or seven good years.

There is an old saying that nobody ever went broke underestimating the intelligence of the American people. I would put it that this minister and his government are treating Canadians as if they were all completely and utterly illiterate in terms of the economy.

I wonder if the minister can give some intelligible answers to those questions.

**Mr. Merrithew:** For seven years now this government has tried over a period of time to reduce the duplication in government, to avoid some of the expenditures where we can save dollars, the taxpayers' dollars. That is what the people of Canada have asked for and we have been doing it over a period of time. Most Canadians support that.

In this particular budget we have indicated that we can reduce or amalgamate 46 different agencies, boards and commissions of the government, all of which costs the Canadian taxpayers a great deal of money. Now some people may wish to debate whether some of those are wise decisions or not.

In my case, in my own department we have abolished the Veterans Land Act simply because we have not given any additional loans or mortgages to the veterans of Canada since 1977. We have essentially reduced that whole operation by 80 per cent even in the last three or four years.