

*The Budget*

servicing the debt than we do in transfers to individuals for social programs? Do they really think this is a good thing?

What about our borrowing habits? Are the Liberals really happy that foreigners own over \$300 billion of Canadian debt? Think about it. With this latest budget Canadians will be paying more money out of this country each and every year to our foreign creditors to pay our interest charges than we will spend on our old age security program. Is this something to be proud of?

• (1020)

The solution is simple. If people do not want budgets that are tailored for Bay Street or Wall Street, get rid of the deficit so we do not have to keep going back to them for more and more. Instead, this government is intent on going back and humbly asking for a little less each year.

In summation the Liberals say the polls show that Canadians are happy with the budget. However they should look closely at the results of the Angus Reid poll where 39 per cent of Canadians felt that the level of government spending cuts were right; 43 per cent believed that the government cuts did not go far enough; and 83 per cent of Canadians are expecting further cuts.

It is time for the government to be up front with Canadians. Make the cuts that have to be made, get our budget balanced and start making inroads into our obscene debt. Our children can expect nothing less.

**The Deputy Speaker:** My colleagues, before we have questions or comments an error was made. In fact it was the Liberals' turn to speak. With your permission we will finish the questions and comments on the speech of the member for Surrey—White Rock—South Langley and then we will go back to the side that should have had the floor.

**Mr. Jim Abbott (Kootenay East, Ref.):** Mr. Speaker, it was interesting yesterday in question period when I raised the question with the Minister of Human Resources Development whether he was actually floating a trial balloon with the idea of increasing taxes.

One of the difficulties we and I think all Canadians have is that we do not have any idea what the real intention of the government is. It keeps on talking about perhaps we should be taxed more or, as the Prime Minister says, perhaps the health act has to be completely changed, perhaps it has to be downgraded. The health minister says it will not happen and then the Prime Minister turns around the next day and says it might. It seems to be absolutely unclear as to what the intent of this government may be with respect to the health program and tax increases.

I have felt the frustrations from people in my constituency. I wonder if the hon. member has had the same feelings of frustration from her constituents over the fact that the government just does not seem to be coming clean with respect to tax increases.

**Ms. Meredith:** Mr. Speaker, we are being faced with our constituents who are trying to find out what there is in the future for them, what they can be planning for.

With the concern of health cuts and what not, the situation is that the provincial governments are having to reduce services because they are unable to go to the people with user fees and whatever to provide the same level of services. The concern is that the government promised that those services would be maintained yet in this budget the government is reducing its equalization or transfer payments to the provinces for those issues.

Constituents hear the government telling them one thing and see the government doing something completely different. There is concern and very much uncertainty out there.

**Mr. Leon E. Benoit (Vegreville, Ref.):** Mr. Speaker, the hon. member for Surrey—White Rock—South Langley made an interesting comparison between the effect of the Reform taxpayers budget and the Liberal budget.

The hon. member said that the Reform budget has the motto short term pain for long term gain, whereas the Liberal budget takes the masochistic approach of short term pain followed by long term pain. It is a very interesting statement and I appreciate it very much. I know the hon. member explained it in her speech but perhaps she could explain it again so that perhaps the Liberals will understand why that is and why that comparison was made.

**Ms. Meredith:** I thank the hon. member for the opportunity to remind the government when it talks about making smaller cuts that what it is talking about is increasing the interest payments in the year 1997 to \$50 billion. When the government is spending \$50 billion on interest payments it means there will be less money to spend on social programming.

The only alternative the government has is to take the long term approach by taking short term pain by making the cuts now, making sure that interest payments do not escalate to the level they will be escalating.

• (1025)

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.):** Mr. Speaker, I will be speaking for 10 minutes and will be sharing my time. Thank you very much for recognizing my opportunity to speak.