

*The Budget*

for research and development is an objective in itself and that we did it deserves praise.

Consumers also reacted favorably to the reduction this year and next of individual income tax. The financial community was glad to see the deficit limited to \$31 billion, even in this recession year. We made a mistake, it is true; we predicted \$30 billion and got \$31 billion. That is 0.7 per cent of a \$150 billion budget. Compare that to the Ontario government, which is \$5 billion out on a \$50 billion budget, or 10 per cent. I think that our projections are much better and the results are there to prove it.

As a result of the finance minister's prudence and wisdom, when the markets opened the day after the budget speech, the Canadian dollar made substantial gains on the world's currency markets. Madam Speaker, given such a vote of confidence, does one need more evidence that our government's budget, albeit imperfect, is surely a step in the right direction?

Admittedly the reaction was not unanimous. Some people, including the hon. Leader of the Opposition, said that they were very disappointed with our budget. I dare say, Madam Speaker, that if our government were able to walk on water, I think that the Liberal leader would say that it was because we could not swim. When they see others try to innovate, some people can only criticize and rarely, as we just saw, suggest concrete solutions to help the country improve the situation.

As Destouches said, criticism is easy, art is difficult.

[English]

Apparently a contemporary of Destouches, Voltaire, told us as well: "Common sense is not so common". This is particularly true in the Commons. How else can we explain the reaction of the hon. leader of the NDP on the budget. Undaunted by either common sense or economic reason, my hon. friend opposite declared the 1992 budget a massive failure.

It seems that the New Democratic Party would be satisfied only with a veritable explosion of spending following the inspiring example of her friend, the Premier of Ontario. Presumably she is concerned that the resulting bloated deficit would likely mean that Canada's future fiscal policies would be dictated by the International Monetary Fund. Fortunately, however, they are in

the minuscule minority. To say that their reactions run contrary to the mainstream would be an understatement.

The merits of this year's budget are clear. It provides real benefits to Canadians through programs for business as well as through measures that help taxpayers where it counts most, their pay cheques. It is a tribute to the skill of the Minister of Finance that at the same time as he has held down the deficit, he has managed to give Canadians a break on taxes.

Taxpayers' after-tax income will increase by \$500 million in 1992-93 and by more than \$1.2 billion in the following year. Some 14.6 million Canadians will benefit by this cut in personal income taxes. Most important, these tax cuts will not increase the deficit. They are funded by reducing government spending.

[Translation]

That was the secret, Madam Speaker. Raising the deficit, borrowing money at the expense of our children who will come after us to maintain Canadians' standard of living and the level of programs is not a solution. It was tried in the past and did not work.

We had to reduce our spending. That may be why we have been unpopular for a year or two, because we said no. People who were used to being told yes for one or almost two decades suddenly were told no by a government that wanted more reasonable spending in line with what the country could afford.

At the same time that the Minister of Finance gave Canadian taxpayers some necessary tax breaks, he resolutely attacked the cost of government. Since no government can ask citizens to tighten their belts without setting an example itself, the Prime Minister and all the ministers in his cabinet have taken a cut, as was just mentioned.

Since my time is going very quickly, Madam Speaker, I would conclude by stressing an important point in the budget.

We have been criticized for attacking the sacrosanct principle of universality, as was mentioned several times. I think that we must approach this question in the most open-minded way. Indeed, we used money that went to the wealthiest in society and use it now for those in greatest need. I believe that it was necessary. We did it. It will give \$500 million more to the neediest families and