

The Budget

and this is not original as the 1989 edition of the book, *Canada, the State of the Federation* did say that the transfer of payment cuts to the provinces are equivalent to increasing taxes—a sneaky way of increasing taxes without telling the Canadian public quite candidly.

Second, would he tell the House why taxation by surcharge is allowed to continue? This is also equivalent to increased taxes because by definition surcharges ought to be only temporary. We would also like the member to comment that since the GST, if enforced by this government by January 1991, will take effect within the current budgetary fiscal year, why then those GST not be new taxes to the Canadian public. I would like the hon. member to be candid to the Canadian public, to be candid to the ill, the sick, the youth and the poor. Thank you, Madam Speaker.

[*Translation*]

Mr. Robitaille: Madam Speaker, I want to thank the hon. member for his comments. I almost needed a tape recorder to catch everything he said. In any case, I will try to respond to all his questions and comments. When he told us here in the House that he found it hard to find any heart in what we are proposing, I think the hon. member failed to understand our message.

Obviously, there are a number of challenges facing this government. When he talks about the need to fight illiteracy and to deal with health care costs, the hon. member is perfectly right. But I would say that the biggest handicap and the greatest threat to all these programs remains the extent of our national debt and our deficit. The Liberal Party left us to deal with the public finances of this country in 1984–85. I may remind the hon. member that it was his party, when it was in power, that left us this mortgage on all our social programs. When we take measures to control spending, to reduce the deficit and, within the foreseeable future, to reduce the national debt, this is still the best guarantee anyone could wish for maintaining the effectiveness of our health programs.

The hon. member seemed rather upset or suspicious about my statement that there were no new taxes. I repeat: the federal Budget has no tax increases. There are none. When the hon. member says that the Budget will lead to tax increases at the provincial level, I may

remind him that the provinces do not necessarily have to increase taxes. They have the alternative of engaging in the same exercise as we have initiated at the federal level, and I am referring to better spending control. I repeat that if we manage to keep our spending increases down to 3 per cent at the federal level, we can hardly let transfer payments increase by 6.5 per cent. I think that would be inconsistent.

As for the GST, Madam Speaker, I am sure we will have a chance to discuss this subject in greater detail.

However, I simply want to say that the GST gives the Government of Canada a certain revenue stability and it provides for a fair distribution of the tax burden among all Canadians, and that this series of measures, the Budget, previous budgets and all other measures that have been taken will make it possible to achieve a better fiscal balance, reduce the deficit, control the national debt and thus guarantee the continued existence of our programs in the future. We must realize this.

[*English*]

Mr. Butland: Madam Speaker, I commend the member for the delivery of his speech. I cannot say too much for the content.

• (1330)

I know he took great interest in the by-election in Chambly and I know he would like to take the opportunity when he gets on his feet to congratulate the new member for Chambly and congratulate the New Democratic Party in the Province of Quebec and also Canada. I know he is very eager to do that.

In this deficit discussion I notice that the Liberals suggest it is the Tories fault and they throw it back. However, I suggest that both parties share in the blame and there is no sense going back and forth. I think both parties should equally share in the credit for the deficit. Only the New Democrats have not shared in this deficit production.

Let me speak about the financial commitments of 1988. We have not reflected too much on the election lately, but it was crystal balled at that time that there were no problems whatsoever with the financial commitments of the government, and there was no mention of deficit. However, for the last several months all we have heard from this government, is “deficit, deficit”. Why all