

*The Budget*

threat is our \$500 billion debt and our some \$50 billion interest payment on that debt.

Imagine if we did not have this huge half a billion dollar debt created by the Liberals and the Tories before them. Imagine if we did not have this \$45 billion or \$47 billion interest payment what that interest payment could represent in the way of providing services and programs for people and Canadians who are in need.

That is the threat to the social programs in this country, not fiscally conscious MPs like the Reform Party. That has to be understood.

**Mr. Len Taylor (The Battlefords—Meadow Lake, NDP):** Madam Speaker, I have also listened to the Canadian people throughout much of my term as a member of Parliament. The last six years have been very tumultuous times, coming through the Mulroney era of putting a lot of pain on the backs of Canadians, and now sitting through this Parliament and the development of this budget, with taxpayers from coast to coast saying they have been taxed enough.

The finance minister claims this budget did not raise income tax for ordinary Canadians. That is not quite correct. A large number of Canadians were receiving and will receive to the end of this year the northern tax allowance. This tax allowance provides those who live further away from government services a benefit which other taxpayers do not enjoy.

The hon. member shares a part of the country with me, that is, people who currently receive northern tax allowances. Does he not believe it is unfair for those taxpayers in the phase out of the program this year to have to pay additional taxes?

• (1630)

**Mr. Harris:** Madam Speaker, in answer to my hon. friend from The Battlefords—Meadow Lake, this is a time when the country is in a financial crisis. It is a time that can be compared to a financial crisis in the family home. The time comes when the family does not have enough money to live the lifestyle which it had grown to like. It is the time to separate the wants from the needs.

There are so many different areas in which we spend money which clearly could be described as needs. There is also a tremendous amount of ways in which we spend money that clearly could be described as wants. If we are ever going to get our financial house in order we have to make a clear distinction between our needs and our wants.

**The Acting Speaker (Mrs. Maheu):** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to

be raised tonight at the time of adjournment are as follows: the hon. member for Burnaby—Kingsway—Human rights; the hon. member for St. Albert—The Treasury Board; the hon. member for Wetaskiwin—Labour.

**Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.):** Madam Speaker, I am pleased to have the opportunity to speak in the budget debate, but it is with no joy I say what I feel I have to say. I doubt, with the short time available to me, that I will be able to properly develop the case I would like to make. I doubt whether I will have the time to put on the record the many points which I think are essential.

There are some positive measures in the budget which I fully support. I have in mind the measures for tax fairness, those measures which deal with tax deferrals, with family trusts and with RRSPs. I also fully support the measures to put additional tax on large corporations and the new special tax for banks and bank-like institutions.

I regret that with respect to the balance of the budget I feel there is much that is wrong. Specifically I am opposed to those measures which attack our social programs. In the budget it is proposed that we cut transfers to the provinces for post-secondary education, health care and the Canada assistance plan by \$7 billion over the next two years. It is also proposed that we cut from unemployment insurance a minimum of 10 per cent, a program which has already been cut by the last budget and cut savagely many times under the previous Conservative government.

For those Canadians who are not aware of what is covered by the Canada assistance plan let me refer to a few items. By agreement with the provinces it covers payments for food, shelter, clothing, fuel and utilities for disabled people and people who are not able to work. It covers rehabilitation for needy persons. It covers day care centres. It covers hostels for battered women. It covers nursing homes for old people. It covers the cost of children in foster homes. It covers homemaking and home support services. It covers adoption services. That is only a partial list.

These cuts are not only wrong in principle, they are contrary to the campaign promises which we Liberals made in the red book and throughout the last election campaign. They are, first of all, wrong in principle because social programs are not the cause of the deficit. In answer to a question in the House only a few weeks ago the Minister of Finance admitted that the cost of social programs as a percentage of gross domestic product was exactly the same today as it was 20 years ago in the mid-seventies. He admitted that they were not the cause of the deficit. If they are not the cause of the deficit why attack them and why propose such extreme cuts to them in the budget?