

in Canada are tremendous and we are determined to create the conditions which will achieve these possibilities.

[*Translation*]

My dear friends, I trust you will see in this budget a step in the right direction. This budget faces facts. We have the choice: either Canada achieves its potential of which we can all be proud, or we go back to our bad habits of spending without concern for tomorrow. I beg of you to support this wonderful project, the achievement of the potential of our beautiful country.

[*English*]

I believe that with the measures announced tonight we are at a new beginning for Canadians. I hope that you will agree that this is a budget that faces the facts and a budget that will help Canada achieve its potential. The future truly can belong to Canada. It is up to us.

**Some hon. Members:** Hear, hear!

**Hon. Herb Gray (Windsor West):** Mr. Speaker, after listening to what the Minister of Finance (Mr. Crosbie) had to say tonight, I am sure that the people in Canada in general would not want to shake hands with him. I do not think it would be parliamentary for me to try to say what middle and lower-income people would like to do to the minister and the Conservative government after hearing his speech tonight.

**Some hon. Members:** Hear, hear!

**Mr. Gray:** What we have heard this evening is not really a budget—it is the Minister of Finance's biggest joke yet, a cruel joke on the Canadian people. How can this be a budget if it is based on an energy agreement on oil and gas pricing that does not yet exist and which may never exist?

**Some hon. Members:** Hear, hear!

**Mr. Gray:** How can this be a budget if it is based on an energy tax that does not exist, whose form is unknown, and which is not even described in the budget speech or in the ways and means motion accompanying the budget speech? The government will have to bring in another bill to implement the proposed new energy revenue tax. So much for the minister's desire to do away with fine tuning.

**Some hon. Members:** Oh, oh!

**Mr. Gray:** To the extent the budget is a real one, it is still a cruel joke on the Canadian people. The increase in energy prices and excise taxes proposed in the budget will bring inflation back to double digit levels in Canada.

**Some hon. Members:** Shame!

**Mr. Gray:** It will increase unemployment by at least 1 per cent, and certainly will not do anything for employment except reduce it. It will reduce the gross national product next year in Canada by at least one point. All Canadians will be hurt by this budget, especially lower and middle-income Canadians.

### *The Budget—Mr. Gray*

They will be hurt by the higher excise taxes and the higher energy prices. These are regressive taxes and the burden of them will be most severe on the lower and middle income Canadians. But this Conservative government are willing to drive the Canadian economy into the ground in order to carry out to the utmost their commitment to their Conservative doctrinaire policy. That is more important to them, than the growth of the economy or fighting unemployment and creating more jobs. None of that matters to them except that doctrinaire commitment, that doctrinaire fear of the word "deficit".

● (2120)

This budget, to the extent that it is a budget, is one of broken promises. Remember the promise of the \$2.5 billion tax cut promised by the then leader of the opposition before the election and during the election on the hustings and in this House. It is not in this speech. Instead of that \$2.5 billion tax cut promised, we have an increase in taxes for lower and middle income Canadians of close to \$5 billion.

This energy package is really a disguised tax increase, a mammoth tax grab on the part of the Conservative government from the Canadian people, especially lower and middle income Canadians. A few days ago the Minister of Finance said that the promise of the Prime Minister (Mr. Clark) of a \$2.5 billion tax cut was a temporary aberration. After seeing this budget, I think the Canadian people will hope that it will be nothing more than a temporary aberration, a temporary aberration carrying the Canadian economy away from the path of growth and development it was on at the time the government changed on June 4.

**Some hon. Members:** Oh, oh!

**Some hon. Members:** Hear, hear!

**Mr. Gray:** In this budget speech the Minister of Finance talked about his concern for government spending and controlling government spending. But when in this House a few days ago he was asked about the cost of this mortgage tax credit plan, all he had to say was, "Don't worry about it. It is just a squeesly-measly couple of billion dollars". In order to pay for this plan—and he would not admit this during the debate on Bill C-20—obviously he has chosen the route of higher taxes on lower and middle income Canadians, higher taxes cancelling out benefits to people who are still hoping, in spite of Conservative higher interest rates, to benefit from the mortgage interest tax credit plan, and adding to the burden of taxes on the many more Canadians who do not benefit from this plan at all: the renters, the people with no mortgages, the people with incomes too low to pay income tax against which a tax credit can be claimed.

This is really just a "squeesly-measly" budget for Canadian workers, farmers, consumers, and small business people, when it comes to helping them to have better standards of living and to secure a chance for success in their chosen endeavours. This budget gives a little with one hand and takes away a lot with