

The Budget

Mr. Duhamel: Mr. Speaker, I am delighted to be able to respond to the question. I spoke very quickly when I made my remarks. I assume that is the reason why my hon. colleague did not hear my reference to the goods and services tax. I did indicate how it would penalize students and a number of other sectors.

If the hon. member will recall, in the very recent past I have spoken against the goods and services tax. I have pointed out a number of areas in the health care sector where it will have a very negative effect, such as with respect to psychology services, therapeutic services and so on.

The hon. member is, of course, trying to have some fun with me and my colleagues in this party. He knows clearly that we were among the first and the strongest and the most vociferous against this tax. It is completely unfair for him to suggest that we are perhaps dancing around, that this is perhaps a disagreement in principle. We have said no. I continue to say no, and I shall continue to say no.

• (1340)

Mr. Nelson A. Riis (Kamloops): Mr. Speaker, I do not question my hon. friend's sincerity. I think he probably does believe that this tax is a nasty tax.

I have been listening with care to some of the leadership candidates for his party, Mr. Martin and Mr. Chrétien to be specific, who both have said: "Well, Mr. Speaker, we are not certain. Quite frankly, something has to be done with the tax system and we will look at it some time in the future." I do not want to suggest to my hon. friend that I am being cute with him, because I believe sincerely that he is opposed to this measure.

What I want him to say is that not only is he opposed, not only has he spoken against the goods and services tax, but in fact the Liberal Party of Canada is in opposition in principle and would never as a government some time in the distant future impose a goods and services tax or a national sales tax on the people of Canada. Is he prepared to say that, to set aside his own personal views and represent the party that he does represent?

Mr. Duhamel: Mr. Speaker, I cannot speak for the leadership candidates. The hon. member would not want me to do that.

On the other hand, if I were a leadership candidate I would be saying exactly what I have been telling you. I would not be changing that for one moment. I cannot speak for the party. I can tell you what the party is saying right now.

The hon. member heard, perhaps, this party's critic this morning on *Canada AM* who will be debating that with the Minister of Finance tonight in Edmonton. He said it was a poor tax. We are against this tax. We have to look at taxation in a progressive kind of way, and we cannot look at it in isolation. I have not heard any of my colleagues, and if you know of any I wish you would tell me, who have said that they are for this tax.

There may be some who are less passionate, less intense about the negative effects. I suspect that is true about any question, but I have heard nothing but complete accord from my colleagues with whom I associate here on this side of the House on that question. We are against this tax.

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, where does one begin to debate a budget tabled by the finance minister? The budget contains many measures which will have a devastating impact on students, seniors, native peoples, low and middle income families, war veterans and small business. The list goes on and on.

The finance minister claims there are no tax increases in his budget. He has simply passed on an \$8 billion problem to the provinces. Furthermore, the goods and services tax threatens to become the largest tax grab in Canadian history.

The finance minister claims that deficit reduction is not at the expense of social programs. Yet support for medicare, welfare and day care has been slashed. Support for social and co-op housing will be cut by \$165 million over a five year period, compounding the problems of the 200,000 homeless in Canada and the many more who must commit over half their income to rent.

Speaking of the deficit, in 1984 the Minister of Finance announced a five year program of deficit reduction designed to cut the deficit in half by the end of the decade. Despite record economic growth, the minister has failed miserably to reach this target. In fact, he has only trimmed \$4 billion from the \$34 billion deficit that