

There is no doubt that this is a very tough budget, but it is also as fair as possible under the circumstances we all face. It is not a heartless Reform budget. It is consistent with Liberal values and principles.

[Translation]

Hon. Roch Bolduc: Honourable senators, I can understand the attitude of Mr. Martin, the Minister of Finance, who is partly dismantling what his father built. I can understand that because he belongs to a different generation, while his father lived at a time when certain things had to be done. What I do find puzzling is that a man like Senator Kirby, who was one of the principal architects of this structure, is saying today that it must be dismantled, and that he seems to say it so gladly. This is really beyond me.

[English]

Senator Kirby: Honourable senators, unfortunately the honourable senator's claim about my role is substantially exaggerated.

• (1510)

Let me comment again on what I said to Senator Kinsella. The practical economic reality facing whatever government happens to be in power in the provinces or federally is that unless you get your fiscal house in order, you will be unable to do all those other things we have stood for, some of which the honourable senator's party has stood for and some of which it has not. The reality is that times have changed.

As I said in response to the Leader of the Opposition in the Senate, one of the great dangers in politics is taking something and elevating it to the level of principle so that it becomes immutable over time and entirely independent of the circumstances.

Honourable senators, the budget does precisely what we said it would do in the election campaign. That approach is a novelty in this country at the federal level. The budget preserves, very adequately, the major programs which, to use Senator Kinsella's words, have reflected the compassionate, caring nature of this party for a very long time. It begins the process of reforming government in terms of its structure and role. These elements make it a very significant document.

Senator Lynch-Staunton: Honourable senators, the honourable senator claims that the budget reflects the promises made by his party during the campaign. There must be two Red Books out there. In the Red Book I have, there are flagrant contradictions between what was pledged during the campaign and what we see in the budget.

Without belabouring the point, honourable senators, let us talk about the GST. The GST was to have been eliminated and replaced with something else. It has neither been eliminated nor are there proposals in this budget for its elimination. Can Senator Kirby explain to us why that campaign promise still remains? It was accepted by all Canadians as being not only a promise, but to become fact, because the GST was identified by the Liberals as the most hated tax in Canada.

[Senator Kirby]

Senator Kirby: It is interesting that the Leader of the Opposition should describe the GST as the most hated tax in Canada given the honourable senator's role in implementing the tax. However, I will set that minor point aside.

Honourable senators, the Red Book was designed to cover a mandate and not to cover 6 months, 12 months or 18 months into a mandate.

Senator Lynch-Staunton: Sixty days to get you elected.

Senator Kirby: Perhaps that is a question the honourable senator ought to raise with me again the day before the writ is issued for the next election. I will be happy to address it at that time.

Senator Lynch-Staunton: For the record, I wish to point out that the budget projects three years ahead. The receipts from the GST are projected for 1996-97. The Minister of Finance is already projecting revenues using the GST as one of his main sources. That must mean the government should admit today that it has abandoned any hope of dropping the GST and that the GST will stay with us.

Senator Kirby: Honourable senators, any such discussion of the GST was always in the context of replacement and was not in the context of simply dropping it as a source of revenue. If at some point the GST is to be replaced by another source of revenue, presumably that line in the budget will have a different label on it.

Senator Lynch-Staunton: I guess there are two Red Books after all.

Senator Kinsella: If that is reality, honourable senators, there is more than one Red Book.

On motion of Senator Kinsella, debate adjourned.

BUSINESS OF THE SENATE

Hon. B. Alasdair Graham (Deputy Leader of the Government): Honourable senators, I move that all remaining orders, inquiries and motions stand.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

Senator Graham: Honourable senators are aware of the situation in the rail industry and the ongoing negotiations taking place in the other place. After consultation with my colleagues opposite, I move that we adjourn during pleasure to the call of the bell at approximately 5:30 this day.

Hon. Eric Arthur Berntson (Deputy Leader of the Opposition): Honourable senators, could the Deputy Leader of the Government in the Senate give us an explanation as to his expectations? Is there some degree of optimism that we will be back here at 5:30?