

Ask the teenager in Yorkton who hoped to receive financial assistance to attend university this autumn but who will now despair upon learning that this Budget reduces spending on post-secondary education.

There is also a deficit of fairness in this Budget. What is fair about expecting farmers to cope with high interest rates and at the same time to cope with the gutting of funding for vital agricultural programs?

For a middle-income Canadian family, this Budget will mean an additional \$700 in taxes, for a total increase of almost \$2,000 in taxes since the Government came to office. Every single community in Canada, every single family, will be hurt by the cuts in spending on medicare and education. Many will also be hurt by cuts in regional development. What is particularly deplorable is that the very communities least able to weather the Conservative reduction will suffer the greatest cuts.

Federal funding for our hospitals, for our colleges and universities is reduced by this Budget at a time when the need for more money is very obvious to all Canadians. Our health system, already under great strain, will suffer at a time when public confidence is already weakened. Colleges and universities, already plagued by years of declining funding, now face the almost impossible task of maintaining their standards of excellence. Their academic credibility, already under fire, is greatly undermined by this Budget. Worse, students and would-be students will find it increasingly difficult to obtain an education.

In every Budget in every year since this Government came to power in 1984, the Minister of Finance has denounced the deficit. We have heard him promise repeatedly to do something about it. In each of those years, the Government has failed utterly to do what it said it would do.

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We learned from this Budget that the deficit is increasing for the second year in a row in spite of six consecutive years of high economic growth. Clearly, these people do not know what they are doing. This is a fudge-it Budget. The economic assumptions on which this Budget is based are simply not credible. Once again the Minister of Finance is fudging the books. There are no guarantees whatever that the deficit target of \$31 billion will be reached. In fact, there is every reason to believe that the deficit will be higher than that.

The Budget—Mr. MacLaren

The Minister of Finance's optimism is not widely shared. He forecasts that the economy will grow in the next year at a rate of 3 per cent, much higher than any other forecasts. Worse, he is predicting that the interest rates will average 12 per cent for the year, despite the fact that interest rates today are already more than 12.5 per cent.

Next year the Minister expects the economy to slow considerably, predicting growth to drop by almost one-half. No doubt this is to be expected as a result of this Government's prolonged mismanagement of the economy. The Government cannot at the same time reduce its spending, increase taxes, raise interest rates and hope that somehow the economy will continue to grow. Canadians are now to pay a heavy price for the Government's incompetence. Today's Budget—or should I say yesterday's Budget—makes it clear who will suffer. During the past four years taxes on individuals have grown faster than taxes on corporations. With today's Budget, Canadians will pay yet more taxes. During the past four years, taxes on low and middle-income Canadians were increased sharply while tax increases on the wealthy were far less.

Interest rates have risen to the point where small businesses have been put at risk, where many families fear that they will lose their homes or despair of ever owning one. Now we face cuts in spending and widespread change in our social programs that will leave many low-income Canadians worse off than ever.

The Minister of Finance is intoxicated with deficit reduction, but it is Canadians who will suffer the hangover. For four years this Government has continued to talk about its commitment to deficit reduction. Today Canadians have learned what they must pay for this commitment through higher taxes and cuts in government programs. But where is the deficit reduction? The deficit continues to grow even as Canadians pay for its reduction. Real deficit reduction, we are told, will come later, but the bill arrives today. Clearly, the Finance Minister has run out of time to get his act together.

Canada has been transformed, and now we must ask if we agree with the direction of this transformation. This Government is intentionally lessening the ties of Canadians to each other. What was once a compassionate and a confidently administered society is today run by a Government without a heart, without an understanding of what it is to be poor, and without the slightest understanding of how to manage our economy compassionately and competently. Canada, under the Conservative Government, as the figures released by the Minister of Finance himself show, has removed hope and