

The Budget

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the hon. member for Lambton—Middlesex, and I believe it will be a 10-minute speech, plus five minutes for questions and comments.

Hon. Ralph Ferguson (Lambton—Middlesex): Mr. Speaker, I am pleased that I am able to take part in this debate today. I am not doing it with a sense of satisfaction because when I look at this budget, and in spite of the fact it is stated there are no tax increases I am very embarrassed, as I am sure most Canadians are, about the shabby way that this budget treats our veterans.

There are 1,500 veterans in all who will be affected by this budget. It is going to cost them an additional \$17.3 million. It will cost them an extra \$240 a month in 1990 and \$420 a month in 1991, with another \$18 million cut over the next two years for heavy spring cleaning and housekeeping for veterans. This affects 60,000 veterans under the Veterans Independence Program.

I must remind this government that veterans paid their price when they walked into battle for all Canadians.

In 1985, the Conservative government doubled the board and lodging rate to \$240 a month, and yet this is the first time the rate has been changed since the program was established in 1949. It is certainly not acceptable in my mind and in the minds of my constituents to cut the financial assistance for all these institutionalized veterans' room and board, home nursing and housekeeping by \$35 million. Our veterans made their contribution and the government should not be betraying their sacrifice in such a callous way.

This 1990 budget also leads to cutbacks for our post-secondary school education and health services as funding for these universal programs will be decreased by \$22.1 billion by 1995. This budget could well be the start of the systematic erosion of our Canadian health care system by this federal government. Our universities will be forced to admit students on the merits of their bank accounts rather than on their marks.

The federal government is quickly putting post-secondary school education beyond the grasp of many Canadians. The Canadian Federation of Students estimates that this cut will increase tuition by approximately \$2,000 a year for the individual.

Cutting \$423 million in the post-secondary school budget for 1990-91 will be the equivalent of shutting down the University of Western Ontario, Fanshawe College and Lambton College for almost two years. It must also be remembered that this cut comes on the heels of an announcement last week that the Student Summer Employment Program would be reduced by \$296 million over the next five years.

In terms of credibility, in the 1986 budget the Minister of Finance predicted a deficit of \$12 billion for the fiscal year 1990-91 in a favourable economy. Despite the excellent economic growth of the last seven years, the minister is now projecting a deficit of \$28.5 billion. This is more than twice his estimate of four years ago. Now this minister expects Canadians to believe that despite the highest interest rates in seven years; projections of 1.3 million more workers being unemployed, and overall lower economic growth the deficit will be down to \$21 billion in 1992-93 and \$14 billion in 1993-94. So much for his predictions. Clearly this government is abusing the faith of the taxpayers who have contributed immensely through huge tax increases and decreased government services.

If the only way the minister can manage to reduce the deficit to less than \$30 billion is to increase the provinces' costs by \$2.5 billion over the next two years, he has clearly mismanaged the government's finances. Either he has shifted the burden onto the backs of the veterans and the students, or onto the backs of the provinces and transferred this responsibility to the provinces.

We have also spoken in this House on a good many occasions of what is happening across rural Canada. I have to speak out on this today during the budget debate. I look at what happened as a result of the budget one year ago, the list of cuts that took place and the programs that were discontinued. There is nothing in this budget to enhance the livelihood of the people living in rural Canada. With the hardships that have unfolded over the last month and a half to two months, it is unbelievable that this government could be so callous.

• (1240)

For example, in the budget of 1989, \$60 million was added to farm costs, \$300 million was cut from several long-standing farm programs, and the federal budget last year cost the prairie farmers alone \$1,000 each. The