

*The Budget*

The present Prime Minister said during the election campaign: "During our first term, I will not raise taxes or personal income tax". So what did he do in last year's budget? They raised \$500 million by de-indexing old age security pensions. What did they do this year? The hon. member for Vaudreuil must know that they raised, or will raise, \$500 million by taxing every litre of gas an extra 1.5 cents.

But this is the question I would like to put to the hon. member for Vaudreuil, who has a number of dairy farms in his riding. He must be aware of a consensus among dairy farmers in Canada on one milk, one price. By removing 15 per cent of the subsidy on industrial milk this year and another 15 per cent next year, the government is widening the gap. How will he explain to the dairy farmers in his riding that the gap is getting even wider?

• (1300)

And how can he explain to the farmers in his constituency, and I say this in concluding, why in the west, now that the Crow subsidy worth \$560 million has been abolished, farmers will receive \$1.6 billion in compensation tax free, when our dairy producers will lose 30 per cent of their milk subsidy without receiving any compensation whatsoever?

**Mr. Discepola:** Mr. Speaker, I am pleased to reply to the hon. member, because he started by saying that he did not think this was a courageous budget. He gave three examples which, I suppose, are his three major concerns, namely the GST, the pension plans and personal income tax. The last point raised by the member was the impact of the cuts to agricultural subsidies.

I am convinced that in the riding of Vaudreuil, and elsewhere in Quebec and in Canada, the three points raised by the hon. member are not unanimously perceived as the three major issues. The main concern is government spending and the lack of flexibility resulting from a debt accumulated over many years and which is very costly in terms of its financing.

As you can see in the budget, in spite of cuts of \$29 billion over a three-year period, the interest on the debt will increase by roughly \$7 billion. This is a courageous budget because, for the first time, a Minister of Finance meets his own objectives in terms of the debt reduction. This is a first in the history of our country.

For the second year in a row, the government has not increased personal income tax. The hon. member forgot to mention that point. As for the pension plan, the member is well aware that we introduced a bill which will be voted on in April.

When it comes to agricultural subsidies, the Bloc Québécois always tries to compare the East to the West for political expediency. It must be mentioned that, in the West, the subsidy was completely eliminated. The farmers were deprived, without notice, of subsidies amounting to \$560 million. This is why a

transition period and a compensation are provided. In Quebec and in the East, we are only talking about an annual reduction of 15 per cent, over a two-year period. It is better to get 70 per cent than nothing at all.

In reply to the hon. member's question, I think this is a courageous budget because we tried to be fair. We did not ask more from the provinces than we were prepared to give. We did not ask the small and medium size businesses to do more. We tried to be fair and this is why the budget was well received across Canada, and even in Quebec.

[English]

**Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.):** Mr. Speaker, I appreciate the opportunity to participate in this year's budget debate.

I feel fortunate to be able to have this opportunity to pass on the views of my constituents of Edmonton—Strathcona. The constituents of Edmonton—Strathcona voted for a Reform member of Parliament based primarily on three principles: justice reform, parliamentary reform and, most significantly, fiscal reform.

It is because of the fiscal reform that I became involved in politics. I wanted to ensure that the standard of living which I have enjoyed will be maintained and passed on to my children and to my children's children.

This budget presented by the Liberals does nothing to seriously address the national debt and deficit problem. It has been said that a new government receives only one chance to make the necessary changes, one window of opportunity. This government has had not one but two chances.

• (1305)

The first was a year ago when the government was more concerned about increasing the deficit through increased spending and claiming that the deficit was not a problem. It then spent the rest of the year producing discussion paper after discussion paper while doing nothing.

The second and final narrow window of opportunity which the government has had to balance the budget passed earlier this month when it failed to implement the necessary restructuring in its latest budget.

It is therefore amazing to me that this government can stand before the citizens of Canada and present such a disheartening and ineffective budget. It is another example of Liberal smoke and mirrors. The Liberals state this budget is exactly what the doctor ordered. If this is the prescribed medicine, it not only smells bad and tastes bad but it is totally ineffective. Canadians have been subjected to a clinical trial where they have received nothing but a placebo.