

The Budget

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, my hon. colleague for Simcoe Centre made reference to the famous tax rallies which took place across the country. He will know the most notable one took place in my riding of Ontario. An estimated 3,500 people came out to protest against any notion of tax increases.

Of the 3,500 people who attended that meeting not one has called to tell me this was a bad budget. We have had over 50 calls telling us it is a budget that hit the mark and that the government has definitely listened to the voices of Canadians.

What was interesting about that evening was that it crystallized what these tax alerts were really all about. They were fronts for the Reform Party. That is very clear in the presentation I made a couple of weeks ago.

It is more interesting that one of my hon. colleague's cohorts by the name of Diane Francis in her paper *The Financial Post* on the same day that tax rally took place mentioned Morgan Trust, a famous bank. It does a lot of business in Canada, and has made some \$9.5 million in profits at the expense of the Canadian economy and has only paid 3 per cent in effective taxes.

The hon. member says we do not need any new taxes in this country. He applauds the tax alerts that have taken place. But surely to goodness he is not saying that some people should be indulging themselves while advocating austerity for the others as the banks have done.

Mr. Harper (Simcoe Centre): Mr. Speaker, the hon. member is talking about tax fairness. I did not get into the question of tax fairness. I will agree with him that the current tax system is unfair and we have to address that.

I do come back to my point that we have a spending problem, not a revenue problem. The government can go after the loopholes and tax the rich but it will not come close to balancing the books. What will balance the books is to get our spending under control right now. That is something we have full control over. We need to do it right away. We cannot afford to delay.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, we are debating the budgetary policy put forward by this government that permits it to borrow more money using the fragile future of our country as collateral.

• (1730)

The Reform Party appreciates the grave financial situation in which we find ourselves. In fact, it has been our dogged determination to address the issue of government accountability in the areas of spending and taxation that have dictated the course of the government's fiscal agenda.

The Liberal budget took a very tentative first step in the direction of deficit reduction, but it did not go nearly far enough. Overall spending increased. Taxes increased. It failed to make the necessary changes to Canadian social programs. It failed to identify which programs are essential and which are not. It failed to explain where and how Canadians will find jobs. The Liberal budget did not lead by example. Cuts come from the bottom up it appears. Canadians are asked to tighten their belts while the Liberal fat-pack have secured their gold-plated pensions.

There has been much talk about Liberal red book promises. Let us focus on some of the promises that are made in the budget.

The Liberals are promising to borrow \$29.8 billion this year because they cannot balance the budget. The Liberals are promising to add over \$100 billion to the national debt in the next three years. This will drive the federal debt load well beyond \$650 billion by fiscal 1997. This Liberal promise will jeopardize the long term viability of social programs.

The Minister of Human Resources Development had a tremendous opportunity to make a positive contribution to changes in the delivery of social programs. Instead he dropped the ball and in fact has dropped out. What the Liberals are offering now is a block transfer of funds to the provinces. This Liberal approach simply downloads the federal debt, penalizing the provinces, especially provinces like mine, Alberta, which is working aggressively toward a balanced budget.

The Liberals promised to increase funding to special interest groups. To pick one example, the status of women, after we factor in the new grants transferred from HRD, it still has an increase in its operating budget of approximately 20 per cent. How can this be justified when funding to provinces for health care and education has been reduced? Canadians will not tolerate such foolish inequity.

The government has not been entirely open about its plans for balancing the budget. I am going to use the example of the Canadian heritage ministry to illustrate a wilful lack of disclosure regarding budget matters. If such dismal performance exists in one department, in one ministry, does it exist in others?

The Minister of Canadian Heritage had plans for the future of the CBC which he did not include in the budget, but which he did provide to the president of the CBC. Let us look at the Liberals' promises regarding the CBC. On February 3, 1994 in a letter from the minister to Mr. Manera, the minister wrote:

The government considers that stable multi-year funding for the CBC is the most effective way of enabling the CBC to return to a healthy financial position. I am therefore pleased to confirm that the government is prepared to commit itself to a plan and to affirm that it does not intend to impose new reductions on the CBC over the next five years.