

The Budget

Canadians want to get their debt under control. They want to achieve this through cuts in government spending. The government has heard this message loud and clear. For that reason we have committed to cutting \$7 in expenditures for every \$1 in increased revenues.

To ensure fairness in the tax system, the government has closed a number of loopholes that benefit large corporations and banks and has avoided increasing the burden on individual and middle class Canadians and their families by refusing to increase personal income tax.

In 1994 a department by department review of all government programs was initiated in which every expenditure in each department was reviewed. As promised, the results of that review were announced in this year's budget.

The government has redefined its own role to ensure that departments focus on the priorities of Canadians. The new government operations will be smaller but more effective and more efficient.

This government has had the foresight to realise that small and medium size businesses are the future of growth in Canada. For this reason the \$500,000 capital gains exemption has been maintained for small business and for farmers. Similarly, only minor changes were made to registered retirement savings plan contributions which benefit many working in this sector.

Government spending has been cut dramatically but in a way consistent with the values of Canadians, protecting the most vulnerable in society and cutting government first.

As I mentioned earlier, the budget also promotes the government's agenda for jobs and growth. In 1994 well over 400,000 new jobs were created, most of which were full time, permanent jobs. The economy grew at 4.5 per cent, the largest economic growth of all the G-7 countries. This type of growth will continue to flourish in 1995 as a result of the measures taken in the budget.

I quote from an article in the *Ottawa Citizen* on March 2:

The boom is back. And, at least temporarily, without inflation. The economy, fuelled by exports and consumer and business spending, steamed ahead at a robust 4.5 per cent pace last year, Statistics Canada said Wednesday.

And growth in the final quarter of 1994 was at a torrid annual rate of 5.9 per cent, the agency said in its latest report card on the economy, which suggests there is more growth to come, the analysts said.

The following quote was also published in the same issue:

The *Wall Street Journal*, one of the coolest critics of Canada's economic policies, has been warmed a few degrees by the new budget. The influential business newspaper said in an editorial Wednesday that the finance minister's budget ought to be an inspiration to other countries struggling with overextended governments.

• (1240)

The minister has obviously listened to Canadians from Carleton—Charlotte and from across Canada and delivered a budget they wanted; a budget that is tough but fair and will be implemented equitably.

We can now look forward certainly to a better tomorrow for all Canadians in the future as a result of the budget tabled by the Minister of Finance in the House.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I want to say to the hon. member who has just spoken, that everyone agrees, in fact, that there is a need to control federal government spending, which has been out of control for a number of years and which has brought us to financial disaster.

In a world where markets are said to be increasingly dealing with internationalization and globalization and where our producers need help in research and development to enable them to deal with worldwide competition, where, in his opinion, is the logic in suddenly stopping all research and development in the area of sheep production by deciding to close the one experimental farm that worked in this area and that had a national mandate across Canada? What message is being sent to sheep producers in Canada when they are told they will have no more support in research and development?

Why was the decision made to take everything away from this sector? Is this not what might be called a poor cut, as compared with others, which could be made where there would be no direct impact on an important sector of agricultural production, such as sheep production—a form of production making agricultural diversification possible, particularly in Quebec and Alberta? What, in his opinion, is the logic behind such a decision?

[English]

Mr. Culbert: Mr. Speaker, I should agree with the hon. member across the way in his question. He is quite right. Although we take pride in the fact that we must get our debt and deficit under control, we are not the first government that has set goals for bringing it under control. We certainly will be the first government in this century that will meet those goals. The Minister of Finance has made that commitment. The Prime Minister has made that commitment and the House has made that commitment.

Research and development is a priority of this government. It has been stated time and again. The government also believes private enterprise and commercialization can do, as proven in the past, the best job out there in business. Whether in research