

*The Budget—Mr. Barrett*

The Government's objective is to ensure that families earning less than \$30,000 a year will be better off after all those measures, including the tax on goods and services, have been implemented.

That measure, which is aggressive, economically sound and fair to the disadvantaged, will help the Government reduce its deficit and therefore its accumulated debt.

The Government also announced a 35-per-cent increase in regional development aid over the next five years in comparison with the last five years.

Our Budget is a serious one and forced us to make difficult choices and to make decisions affecting the majority of Canadians while protecting the least fortunate. It's the middle term between reducing the annual deficit and the debt and sustaining economic growth.

Both sides of the House must join forces to reduce the debt and the deficit and to finally eliminate that major problem.

**Mr. Loiselle:** Mr. Speaker, I would like to congratulate the Hon. Member for Saint-Jean (Mr. Couture) for his statement and in particular for the information he gave us concerning the new tax on products and services and the explanation he gave us regarding how it will be applied. We hear a lot of nonsense about this modern tax which is in effect in most industrial countries. And I would like to remind you that this tax, in any event, makes those who spend the most pay and certainly protects those with more modest incomes because it will be accompanied by very significant tax credits so that a couple whose income is less than \$30,000 will be better off than before.

So I thank him and I would like him perhaps to tell us a little about how it will be applied or the difficulties or solutions to decrease the difficulties it could pose for small businesses.

**Mr. Couture:** We know to begin with that there will be a little over half a million small businesses that will not be affected at all, that will not have to collect this tax.

We also know that the Government wants to help small business collect this tax by paying for this service. I

think, from that, we can certainly say the Government will do everything, will use every means at its disposal to make this tax easy to apply and make it very much to everyone's advantage by replacing the present sales tax that we know.

[English]

**Mr. David Barrett (Esquimalt—Juan de Fuca):** Mr. Speaker, from the outset I want to say how disappointed I am in the Budget presented by the Conservative Government which is different from the Conservative Party that was running in the election campaign. We saw two different developments occur in the Budget. There were the promises and statements made during the campaign and the reality of what members of the Government did when they came back.

My good friend from the Liberal Party, the Hon. Member for Notre-Dame-de-Grâce (Mr. Allmand), asked the Minister of Transport (Mr. Bouchard) how come he is now concerned about the deficit and debt when during the time of the election campaign he and his colleagues did not say a single thing about it. Yet the debt has doubled since 1984 when the Conservatives were first elected. What a fraud this Government is.

I am amazed at the nerve and cheek of the government Members who stand up and say the wonderful things they will do. They talk about the help they will give to the people of Canada. In that regard I wish to examine some statistics to show what is happening to the rich who are getting away with fiscal murder while the ordinary workers and families of Canada are being squeezed like lemons by a Government which does not give a fig about how they survive.

I find it interesting that in his speech the Minister of Transport never once mentioned the *Polar 8*, the ice-breaker that was to protect our sovereignty in the North. It was to say to the Americans and the Soviets: "Don't worry, there is our *Polar 8*. It is our presence and a statement of our sovereignty". Its construction has been stalled for another year. The Government has twice asked the company which is building it to present plans. When I asked the Department about the second plans, I was told they had not received them, even though they were mailed two weeks earlier.