

The Budget—Mr. Marcel Tremblay

Mr. Volpe: However, this Budget shows something worse. In fact, it shows that the Finance Minister is unable to properly appreciate either the economic realities of the day or the requisites of tomorrow's marketplace. He can no longer manage the financial and economic affairs of our nation. A brief look at his performance over the last year leading up to this Budget ought to shake the confidence of even his more assiduous sycophants in the business world.

He based his fiscal plan in 1988 on an interest rate of 7.8 per cent. When the Budget was tabled later in the year at the end of winter, the rate had gone to 8.5 per cent. It reached 10.5 per cent when the election was called. It now threatens to break through the 14 per cent barrier. The Minister made no adjustments to his Budget. I would ask my colleagues: How many of them or how many Canadians would not have fired their financial planners with that kind of performance?

That same Minister justified \$16 billion in election commitments by saying that everything, and I quote: "is within the spending budget—set out in February of 1988. The costs would be zero—in those reserves we have sufficient money to handle the announcements". Six months later, after renegeing on those commitments which, according to the Minister, represent money in reserve, the same Minister launches into a tax grab of \$12 billion to \$14 billion over the next two years to restrict the growth of the deficit. So much for honesty and integrity!

One may ask the Minister "why"? He says that interest rates must remain high in order to keep inflation down. The difference between interest rates, currently at 13 per cent and the inflation rate at 4.3 per cent, is already the highest it has ever been in Canada, despite the prosperity of recent years.

The Finance Minister still acknowledges that the introduction of his goods and services sales tax will actually increase the rate of inflation by 3 per cent. This is the same Minister who said that he would attack the debt and deficit through expenditure reductions rather than through tax increases. Now for every dollar of reduction he proposes, there are three in additional taxes. What unmitigated gall! We have seen this shifting of responsibility before. Even when the Budget was leaked, the Minister who is responsible for all aspects of

departmental activities, immediately and without foundation covered up by claiming to be a victim of a criminal act.

[English]

One is left to conclude that his Government must think that Canadians are stupid in addition to being gullible. I can assure all Hon. Members that Canadians are neither. They can see clearly the lack of logic and absence of reason in this Government's budgetary decisions and directions. They wonder: "Who is writing the Government's agenda?"

This Tory Budget says loud and clear that the Government will not be involved actively in the economy in the short or in long term with any consistent, co-ordinated policies. It abandons any direct interest in promoting the expansion of an economy with deeds, as well as with words, so that the resulting expanded tax base would effectively reduce the Government debt.

What an insipidly short-sighted document! One that authorizes the pulling back of Government contributions to the economy and simultaneously taxes more money out of that economy while sheltering the rich against its pillaging forays.

These are the indicators of a government and a party without honour and without purpose. One that listens only and exclusively to the corporate rich. One that is afraid to look beyond any issue other than the public debt, a problem, I might add and remind, that has been created by this Government over the last four years. A government that can still predict a 3 per cent growth in the economy as it slashes spending, increases taxes and causes interest rates to rise.

• (1650)

The Finance Minister who bungled the Budget from the very beginning should heed the call of all Canadians and dump this Budget or risk damning the Government to unending vilification.

This Budget must go.

[Translation]

Mr. Deputy Speaker: Resuming debate, the Hon. Member for Quebec East (Mr. Tremblay) has the floor.

Mr. Marcel R. Tremblay (Quebec East): Mr. Speaker, I am pleased to rise today to participate in this debate on a Budget which deals with responsibility, the future, the