

The Budget

in this country do not need the benefits of pensions. Where does this nonsense stop?

It seems to me that if we are going to fight for it we have to fight for it now because once you unleash this, once you attack universality or end it in one area of our social programs, that attack will continue. I want to ask the speaker for the New Democratic Party whether he shares that view of mine.

• (1630)

Mr. Langdon: Mr. Speaker, I have to say I agree very strongly with the member from the Liberal Party who has just spoken. I think we have in front of us an attack on universality which is very dangerous for the future of our social programs. As soon as you make the social programs in this country simply for a disadvantaged minority, and everyone does not have a stake in our social programs, then inevitably by the politics of majorities and minorities, those majorities will squeeze the money that goes to that minority and those social programs will cease to be useful.

I agree with my friend from Winnipeg. I suggest to him as strongly as I possibly can that yes, we must fight this. I urge him to fight it as strongly as he possibly can with the Liberal premier of New Brunswick who has suggested that we should get rid of universality in medicare; with the Liberal premier of Quebec who has suggested that we should get rid of universality in medicare.

I think this battle has to take place, and as someone in the Liberal Party, I think he is well placed to lead that fight against those in his party who are heading down that road. There are certainly a lot of them and I worry about them a great deal.

[*Translation*]

Hon. Benoît Bouchard (Minister of National Health and Welfare): Mr. Speaker, I welcome this opportunity to lead off the debate on the government's budget for the 1992-93 fiscal year.

I would like to start by congratulating my colleague, the Minister of Finance, on a budget that reflects the concerns of Canadians. He not only heard what they had to say. He listened. This is truly a budget for all Canadians, not just for the government.

During pre-budget consultations, there was a clear consensus on the need for adopting a well balanced approach that would help strengthen our economy today and in the years to come.

Mr. Speaker, I think it is clear, and you and I heard the minister say, that Canadians want to cut the deficit. They know that higher debt means higher taxes, and they want an end to rising taxes. They want the burden of government reduced. They want less government and better service.

Canadians want to ensure better development of Canada's most valuable resource—our people. They want better opportunities for people to improve their skills, and they want steps taken to ensure that our social programs meet the basic needs of Canadians.

Most of all, Canadians want a renewed basis for confidence in their economy—confidence that jobs will be created and jobs maintained.

The budget is a response to these demands. The equation is quite simple: The budget will cut public spending and use the savings to provide tax reductions that will help Canadian citizens and support economic growth.

[*English*]

This budget will not please anyone who thinks we can spend our way to instant prosperity. My colleague, the Minister of Finance, said yesterday that you don't get out of a hole by digging it deeper. The budget of course makes tough decisions to reduce government spending. These cuts make it possible for us not only to reduce the deficit but also to cut taxes and deliver a social dividend to Canadians and their families.

[*Translation*]

The personal income surtax will drop from 5 per cent of basic tax to 4 per cent on July 1, 1992, and to 3 per cent on January 1, 1993. This will increase Canadians' after-tax income by \$500 million in 1992-93, and by more than \$1.2 billion in 1993-94. Every one of the nearly 15 million taxpayers will benefit from it.

The new home buyers' plan will allow Canadians to draw on their registered retirement savings plans to buy a house. Individuals will be able to withdraw up to \$20,000 tax-free and repay it over 15 years.

Interest rates have declined considerably, about seven points since the spring of 1990, and Canadians are very pleased with that. Similarly one-year mortgage rates have fallen six percentage points. Thus a family that takes out a \$75,000 mortgage loan amortized over 25 years saves over \$300 a month. Lower inflation is the key to lower interest rates. Inflation has dropped spectacu-