

*Government Orders*

There has been much discussion on the other side of the equation about taxes, that maybe the answers lie entirely in revenue measures, in increasing corporate taxes or taxes on wealthy Canadians or on the banks. We read much about bank profits, and people express outrage. They say surely if banks are making those kinds of profits they can solve our deficit problem.

Let us look at corporate taxes for a moment. We hear many arguments made to the effect that corporate taxes are too low. They certainly could be higher. One could set any rate one wanted but again, everything has an impact. What is the appropriate comparison when looking at corporate taxes? Is it the OECD countries? No, it is the United States, our major trading partner. When we compare corporate taxes in this country with those in the United States we find we are not out of whack, especially when we compare not just corporate income tax rates but all manner of taxes paid by corporations.

If we raise corporate taxes we will have an impact affecting jobs and growth in the economy. Similarly, people assert that we should raise individual taxes, that wealthy Canadians are not paying their fair share. However, the top 10 per cent of tax filers already pay 50 per cent of all income tax. Again, we could suggest raising those rates but it would not be without impact on people who invest in the country.

We talk about banks and their huge profits. Who owns the banks? Fifty per cent of the shares of the major chartered banks are owned by the large pensions in the country, not to mention the interest in banks held by ordinary Canadians through their RRSPs.

• (1905)

When we talk about an attack on profits we are hurting individual Canadians. A better approach with the banks would be perhaps to applaud the profits they make but urge them to do more in local communities, to stimulate lending more to small business and to do more in communities rather than discouraging them, as some would.

If the rich, the well off Canadians, the banks and individuals were doing so well Canadians would see an influx of corporations and individuals from all over the world. Canada would be seen as a tax haven, which it is not.

We will be judged by how we solve the problem. We will solve it in a typical Liberal way with a measured response which all Canadians expect from us.

We look forward to discussing it further when the final report is made public.

**Ms. Maria Minna (Beaches—Woodbine, Lib.):** Madam Speaker, I want to talk about three main things with respect to the budget.

We have been discussing the deficit for some time. However, I want to talk about the human deficit we also have in Canada. This is an area we talk about but which most of the time is covered over, overpowered by the discussion of our financial deficit.

I believe very strongly that we have accumulated a huge human deficit and if we continue to do so it will be at our peril. The financial deficit will never be overcome in the next couple of years if we do not address the area of the human deficit as well.

In the last couple of years we have addressed the financial deficit and we have also addressed the problem of jobs. We have dealt with youth unemployment, although it is still much too high. We have brought in some very important services and programs in areas of youth services, youth apprenticeships, youth training. We have dealt with small business loans, the Canada Mortgage and Housing Act with respect to expanding the loans ability to start construction and infrastructure, and a great many other things in the area of economics. These are good tools to help in the area of employment.

We still have huge unemployment and people who are under employed, people who work part time, people who work short term. Youth unemployment is still very high. There are three main areas in the budget we must address in a very aggressive way. We must declare war on three areas in Canada: employment and the availability of work for people, child care, and probably the most important which the other two feed into, child poverty.

If we do not address the problem of employment and the issue of child care we will never eradicate the problem of child poverty. The have and the have nots will continue to polarize, the gap will get bigger and the country will face enormous problems.

In the area of child care I commend the minister of HRD who announced \$750 million for child care this year which he will be negotiating with the provinces. I encourage the provinces to work with the minister to develop proper program infrastructures.

I challenge the government further. I would like us to reach beyond this year and look into the 21st century. We talk about a brave new world of a highly educated, highly skilled population that will work in all the new highly skilled new industries, new business, new work we hopefully will be creating.

If we do not have well adjusted children with good quality child care we will have serious problems. Child care is not just minding children, it is child development, especially if it is good, regulated child care. It needs to be affordable and accessible right across the country for all children, including special children.