

*Supply*

taxes and allowed groups of Canadians in high-income brackets to pay a lower proportion of taxes than others in lower income brackets. Surely it was time to take a look at that kind of system.

**Mr. Stevens:** Who brought it in?

**Mr. MacEachen:** I restructured the tax system in a way which, I believe, has maintained the investment incentives which are required in this country, but in a way which will ensure that there is fairness and equity in the tax system. I believe that every time the Leader of the Opposition mounts his attack in the House, he is speaking for a particular interest in the guise of the child tax credit and employee benefits.

● (1630)

**Mr. Baker (Nepean-Carleton):** He is speaking for the majority of Canadians.

**Mr. MacEachen:** Why does he not speak out against the wrong features of the tax system that brought about the results that I have corrected in this budget? I do not think this is the day for the Canadian House of Commons to go back on justice in the tax system.

**Some hon. Members:** Hear, hear!

**Hon. Michael Wilson (Etobicoke Centre):** Mr. Speaker, someone who appeared before our special committee on the budget said that arguing numbers with anybody from the Department of Finance is like a shell game in New York City. I think we have had a good demonstration of that in the minister's speech this afternoon.

**Some hon. Members:** Hear, hear!

**Mr. Wilson:** I listened carefully to the numbers that the minister was throwing out on the question of 12 million Canadians paying lower taxes. I say to you, Mr. Speaker, that the minister has perpetrated borderline fraud on the House of Commons and the Canadian people by making this statement in the House today. It is a total misrepresentation. He is completely ignoring the fact that Canadians will be paying \$1,400 per family per year for the next five years in energy taxes and that that will totally wipe out any reduction that might result from the indexation of personal taxes. Anybody who owns a home or who drives a car knows that the minister has misrepresented this situation because they have to pay the bills every time they go to the pump and every month to the gas company.

Every time the minister says that, he reduces his credibility even further. This makes no allowance for the increase in taxes that all Canadians will pay as a result of the taxation of benefits, such as dental and health plans, and from the taxation of pensioners, that come directly from this budget.

Yesterday the minister defended his budget in front of a blue chip audience in Toronto. His speech made interesting reading and I read it very carefully. He blamed the United States and he blamed international economic weaknesses for

our problems. His main conclusion was that Canada must not spend its way out of this current recession. He stated this as if it were the only alternative available. The speech is remarkable for its superficiality. It is the most shallow, superficial speech by any minister of finance that I have read or heard in the 20 years that I have been reading and listening to them.

The Canadian Club looks forward with great anticipation to this annual event when the incumbent minister of finance states what is on his mind. Mr. Speaker, next year it will have to peddle the tickets on the corner of King and Bay because no one will want to go to hear a speech like this one.

This reinforces one of the underlying themes that ran through the meetings of our special committee on the budget. Time and again we were told that the government does not know what it is doing, that the government and the minister are totally out of touch with what is going on in the real world. We all know that 200,000 Canadians have been laid off and we have heard from the Canadian Manufacturers' Association that another 100,000 will be laid off within the next two or three months. I hope I do not have to remind the minister that this represents human tragedy for each of those individuals.

All MPs, whether on this side of the House or on the side opposite, know of instances where individuals have lost a job. In my riding I saw a student who was laid off after three months in his first full-time job. Another gentleman came to my office. He is 62 years old and was laid off, and now he does not know where he will get another job because of his age. A young couple came to see me who were frightened that the wife would become pregnant and have to quit her job and as a result they would lose their house. That is the sort of thing that is going on in the country today. People cannot afford to do the things that they want to do. They want to own a house but feel they need two jobs in order to finance a mortgage. If only one has a job then they feel they might have to leave the house.

All these people are worried and frightened about the future. Fishermen, small businessmen and farmers told the committee that they were worried about losing their businesses and that the dream they had built up over the years would be shattered before their eyes because of the policies of this government. These people fear that they may soon become a statistic, one of those unemployed numbers or one of those bankruptcy numbers. That is the nature of what is going on in the country today, Mr. Speaker. That is the nature of what we heard before our special committee.

The speech the minister made yesterday represents the sum total of his explanation to the Canadian people of why he is following these policies. The minister makes no attempt to explain why revenues have to go up 31 per cent this year or why that additional burden has been laid on the economy in this time of the deepest recession we have had in the past 30 or 40 years. He does not explain why it is necessary to disrupt the personal and business lives of people with the so-called tax reform that is undercutting many of the good social and economic objectives which we have in this country. I will come back to that later, Mr. Speaker.