

*The Budget*

try? It is contrary to common sense. If ridicule could kill, Liberals would have disappeared long ago.

We are trying to return to a rational economy and to promote our national growth by allowing Canadians to compete on a level playing field. This is how we will create more jobs for our people who, as workers and consumers, will pay a consumption tax.

The solution is not imposing a surtax on four or five products such as gas, tobacco and alcohol which are now taxed at up to 84 per cent. This shows a definite lack of imagination in finding new ways of taxing people. Our present tax is unfair and inadequate, since most of our trading partners have this form of taxation. It is called for, particularly in light of the current free-trade policy and the opening of world markets. It is important that this government act responsibly and offer the Canadian people an adequate tax reform leading to the prosperity we all want.

**Mr. Arseneault:** Madam Speaker, I want to congratulate the minister for his speech and his energy. I also wish to make a few comments. If my colleague would look at table V on page 142 of the Budget document, he would see that in 1984, when his party took power, personal income tax represented 41.3 per cent of total government revenues, whereas now it is up to 44.3 per cent. On the other hand, corporate income tax went down from 13.2 per cent to 11.3 per cent. Personal income taxes went up while corporate income taxes went down.

I agree with the hon. member that we have a problem with our debt our deficit but I also think that the solution—and I don't believe that the government is insensitive—is not to cut social programs. That is absolutely unnecessary. There are other solutions to consider.

My first question is simple: Can you explain that table? My second question is related to International Women's Day. I would like you to explain why \$1.4 million has been cut from the Women's program as announced in the Budget this week.

**Mr. Tremblay:** Madam Speaker, I do indeed thank the Hon. Member for Restigouche-Chaleur for his question, because caution is required when we deal with figures. Of course, between 1984 and 1988, there was an increase from \$41 billion to \$44 billion, and we know why. It is

clear. The Government is faced with a huge debt. It is compelled to raise taxes. The Government did not invent anything. But it has discovered a new way to collect revenues.

• (1350)

That is the interesting part. In the second column, under "Corporate income tax", the budgetary revenues went down, as he said, from 13.2 to 11.3. As you know, madam Speaker, we have tried very hard to reform our tax system by eliminating a great many loopholes. A great many more corporations are being taxed: On the other hand, we must not overlook the fact that corporations, under a capitalist system, must show profits. Just the same, if we raised the tax rate to 25 per cent instead of 13 per cent, corporations would charge consumers 26 per cent, because they need to show at least a one per cent profit. Otherwise, they close down.

This is the difficult challenge the Minister of Finance had to face and he did it in an outstanding fashion by lowering the tax rate to make our corporations more competitive, while widening its scope, by eliminating the loopholes and by taking into account the consumers' ability to pay.

Finally, I must say I am as unhappy as he is about the \$1.4 million cut to the women's centres. In my own riding, Madam Speaker, there are three women's centres whose representatives came to my office asking what they were going to do. I told them that clearly, as citizens, they had to carry their share of the burden. But theirs are not the only cut in the budget. There are 39 other departments.

Except that, and it is very important, that is where the Hon. Member should take action. Personally, we shall try first of all to show some imagination in dealing with these women's needs which we know and are aware of. We must achieve a balance between our ability to pay and our desire to provide deserving programs which we perhaps cannot afford.

As far as women are concerned, I can tell you that I have been in touch with the two Ministers concerned, namely, the Secretary of State and the Minister responsible for the Status of Women and we are going to make use of other programs to make sure that the women's centres, at least in my own riding remain as unchanged as possible.