

Government Orders

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Madam Speaker, first I want to emphasize a positive point made by the Reform Party member. I agree with him when he says that, as regards post-secondary education, the federal government should not put students deeper into debts. Consequently, the hon. member would oppose a reduction in federal transfers to the provinces for education. I hope his views are shared by the rest of his caucus.

The hon. member approves the reform and every measure related to it. In fact, he said that on top of implementing this reform, we should also look at program expenditures. I agree that many departmental programs should be reviewed. However, my question is: Before implementing a social program reform which targets the poor and the unemployed, does he not think that we should take a look at foregone tax revenues for the government, because of family trusts, because of a major shortfall in GST collection, and because of subsidies granted to industries which do not appear to need them? Does he not agree that, before implementing this reform, the government should try to recover all the money it is losing right now?

[*English*]

Mr. Gouk: Madam Speaker, certainly there are problems. I assume the hon. member was referring largely to such things as the underground economy and how a lot of revenue the government should be collecting is disappearing. There are two ends of the scale. There are allegations that at the top end of the scale there are people who use tax loopholes to escape paying their due portion and at all ends of the scale from the bottom up there are people who are using this underground economy to escape paying high taxes and particularly the GST.

These are things that definitely have to be addressed. One of the ways we are looking at addressing the tax system is using a flat tax type of system. Interestingly, one of the models I have looked at was originally devised by a member of the Liberal Party. Unfortunately it did not get a lot of response at the time.

We have system that we have devised in which we will ensure that each person pays a fair share. The only deductions that will be allowed are those that apply to the most general population across Canada. With regard to the money we are losing in things like GST and so on with the underground economy, one of the problems is if we put so much burden on people, they finally will get to a point at which they justify in their own mind that it is proper, that it is actually the right thing to do to avoid paying taxes wherever possible. We saw this in the case of the cigarette tax in the east where people openly flaunted the fact that they were buying cigarettes that did not have the tax paid on them. People will get to the point at which they say enough is enough.

These are things that have to be dealt with. We think the only way that will be dealt with, rather than extracting more money or

enforcing under GST, is to get government's end under control, which is the spending. We have to reduce the government's need for those tax dollars. We have to deal with the tax burden that is placed on people so we are not taxing people to the extent that they find every loophole they can get, legal and otherwise, to avoid paying their fair share of taxes.

• (1715)

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, it is a special privilege for me to participate in this debate. I am going to spend my time talking about what this government has been doing and proposes to do in support of older workers who sadly find themselves displaced from a job at a time in life when it is not easy to find a new job.

I want to preface my remarks by saying that I have tremendous confidence in the Minister of Human Resources Development. He has put a set of options on the table that I believe are historic. They are based on extensive consultations which took place earlier this year. They are packaged in a format that Canadians can easily understand. I am confident that when the message is fully out and all the options are fully explained, Canadians will significantly support what it is we need to do to put Canada's social security safety net on a solid foundation for the future.

I have had a number of round table discussions in my riding of Algoma over the last few weeks. I have met with a wide cross-section of the community to discuss how these options might affect them and to elicit their feedback. I have been most impressed with some of the things I have learned. I will not dwell on those items today. I am not finished those consultations and in fairness to the participants, I want to give them a summary of those meetings. I will report their comments, the consensus and disagreements to the standing committee and to the minister by early December.

I get the sense that Canadians agree something has to be done to improve how we take care of those in need, how we make sure our young people get a proper education, how we take care of older workers who find themselves displaced. I am confident that the proper choices will be made when legislation is proposed next year.

I especially want to spend time talking about the men and women who have devoted their lives to building this great nation. I know hon. members will agree that older workers deserve the same consideration as do all Canadian workers. Of course older workers generally find change much more difficult to deal with than younger workers, which is quite understandable.

In years past workers could count on being at a job from their late teens or early twenties until it was time to retire. Unfortunately and regretfully times have changed and the world of work has changed. Our country is very much enmeshed in the global