

*Oral Questions*

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

**Mr. Gray (Windsor West):** If the Prime Minister wants to know that our comments and criticisms are not blindly carping, let me ask him if he is aware of the official statement of One Voice, The Senior's Network of Canada, the major group of seniors in this country, which said in a statement on April 28:

If we want to maintain true universality, we shouldn't tax benefits through the back door.

It goes on to say:

One Voice would prefer the Government to increase the top income tax rate rather than taking away benefits.

Does the Prime Minister not realize that we are not blindly carping, we are speaking on behalf of Canadians generally, including seniors. Does he not realize that?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I believe the Hon. Member has been saying that he is looking for a fairer tax system. I want to draw to his attention what we have done over the course of these past four and a half years.

He referred to the increase in personal income tax revenues. I remind him that 80 per cent of that increase is because we have had a healthier economy, only 20 per cent because we had an increase in tax rates.

Let me also remind him that measures such as the elimination of the scientific research tax credit, the minimum tax, the elimination of a number of tax shelters, including yachts, houseboats and hotels, the carve-out provisions for the oil and gas industry, are all steps designed to provide a fairer tax system in addition to the large corporation tax and the high income surtax in this budget.

Let me expand on what Adam Zimmerman said: "Rather than wasting your time hurling insults in Parliament and elsewhere, why not study and really learn about the issues".

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

## CUT IN SOCIAL PROGRAMS

**Mr. Douglas Young (Gloucester):** Mr. Speaker, my question is directed to the Prime Minister. We have heard versions of what was said at the Liberal convention on the weekend with respect to cleaning up the mess. However, I suspect that many of us have heard a lot of things over the weekend about trust and the Budget.

We have seen the day care program dumped, unemployment insurance slashed, medicare benefits cut back, family allowances and old age pensions taxed. I ask on behalf of many Canadians who have heard much about this whether social programs and universality in Canada are still sacred trusts.

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member, in posing that question, is ignoring the essential motive behind the Budget. The essential motive behind the Budget is to get the debt under control, to pay particular attention to the fact that since 1969 our interest costs on that debt have grown from 12 cents of every tax dollar to the current level of 35 cents for every tax dollar. If we do not get this under control, that 35 cents will go higher, and those social programs that the Hon. Member talks about will be squeezed out.

Our commitment on this side of the House is to maintain those social programs and take the actions now that will maintain those social programs.

**Mr. Young (Gloucester):** Mr. Speaker, I guess trusts are not as sacred as they used to be.

## CUT IN ESTABLISHED PROGRAMS FINANCING

**Mr. Douglas Young (Gloucester):** Mr. Speaker, last fall during the election campaign we heard a lot of talk about good management and good managers.

My supplementary question is directed to the Prime Minister. In view of the fact that there has been a \$2.9 billion cut in EPF funding and medicare and post-secondary education will fall increasingly under the responsibility of provincial Governments, is the policy of the Government with respect to management to switch the responsibility for maintaining essential programs to provincial Governments across the country because the federal Government cannot fulfil its responsibility?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, the Hon. Member neglects to say that there will be a substantial increase in Established Programs Financing, in the order of \$25 billion for the next five years, relative to the last five years. We are maintaining our commitment to these important programs.

The Hon. Member has to realize that if we do not get this debt problem under control, because our interest costs as a percentage of our revenues are far higher than the provinces and the impact they have on interest rates is so much higher, we will leave a mess to our children, which we believe is not the right thing to do. We must get this problem under control and we are committed to doing that.