

*Government Orders*

One government-funded program that has received far too little credit comes under the community futures program of the Department of Human Resources Development. Local business development centres provide loans as well as technical advice to new or existing companies.

Over the past six years the Business Development Centre in Lanark—Carleton has been responsible for the creation of several hundred jobs at little cost to the taxpayer. As we look for expenditures to cut I hope ministers will recognize the importance of maintaining this community based program.

The first budget of this new government is only one step along the road toward renewed prosperity and job creation. The coming months will see the development of complementary programs that were outlined in the Liberal election platform "Creating Opportunity".

As a responsible and caring government we must never lose sight of Canadians who are the casualties of global economic forces. As Canadians we are in this together. We do need to ensure that scarce financial resources are directed where they will be most effective.

I wish the Minister of Finance well as he and his colleagues continue to work on dismantling interprovincial trade barriers and the sooner the better.

I also believe we should keep in mind that real job creation comes from the creation of wealth, not its redistribution. The minister is faced with making exceedingly difficult choices in the certain knowledge that he will not please everyone.

The people of Lanark—Carleton will be looking for a budget that rewards initiative, inspires hope and restores a sense of fairness in the way that government operates.

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, my intervention is more to my hon. colleague by way of an observation than a question. As I listened to my colleague's presentation I was struck by the common sense embedded in virtually everything that I heard. I want him to know that there are some very strong parallels on both sides of this House.

If the hon. member could in a couple of minutes expand on the notion of income splitting for families.

• (1300)

This is a question that has come up time and time again, the inequities in our tax system between working parents where two parents are working and where the sacrifice is made with a stay at home family.

**Mr. Murray:** Mr. Speaker, this has been of particular interest to me personally over the years. I have not pursued it primarily for the reason that in my previous job I enjoyed a high income and it was always my sense that if someone talked about the problems that high income earners face with the tax system they should be dismissed as perhaps those who do not deserve to be complaining.

However, when one looks at the burden of taxes on upper and middle income earners and if we consider that a family could be five or six people getting by on the income of one person one starts to realize that there is quite a bit of unfairness embedded in the tax system.

I really had my suspicions confirmed during the election campaign when I would go door to door. During the daytime I would meet women who were at home raising their children and very much feeling the pinch from high taxes.

It is only fair that the government make this change partly to recognize that people who do stay home to look after their children are providing a real benefit to society. Most of us would agree that it is in the interest of the children and the interest of society if they are able to be raised by their parents.

I have not looked into the intricacies of such a change. I am sure it has been suggested in the past. I am sure the Department of Finance must have looked at this as an option. It is one that I intend to explore in the coming days. I thank the hon. member for his comments.

**Mr. Herb Grubel (Capilano—Howe Sound):** Mr. Speaker, as an economist I know most of the jokes about my profession. If you laid all of us end to end there would be no agreement. We never seem to hold the same opinion on anything.

Given the reputation it is amazing, however, how much agreement there was among the 42 economists whom the hon. Minister of Finance had assembled for some pre-budget advice in the middle of December. Of the 42 about 36 agreed on a number of points that I think are important to recall on the occasion of this House debate.

First, the budget deficit has three highly undesirable consequences that make lowering it one of the most important tasks facing this Parliament. Other speakers in this debate have presented or will present projections of recent trends and I will not repeat them here. Suffice it to note that since I started speaking about a minute ago the federal debt has increased by another \$75,000.

One of the points made by the economy experts was that continuing deficits threaten the viability of our social programs. Under some reasonable assumptions by the fiscal year 2000 the interest on the then existing debt will take up 50 per cent of total government revenues as compared with the 31 per cent it will in 1993 and only 21 per cent it did in 1983.

As the hon. members of this House know, program spending has already been cut so much that future cuts will result in serious inefficiencies and public resentment. Therefore if the deficits continue, required increases in interest payments will have to come at the expense of social programs. It is precisely because of this threat to social programs that Reform continues to put so much emphasis on the need to eliminate the deficit.