

*Supply*

While I respect the fact that the secretary of state gave us a nicely balanced speech about economic objectives, fostering economic growth and all these other things that are essential, nonetheless I would point out to him that what is concerning Canadians at this time, and I would suggest what is concerning foreign investment or people who are buying marketable securities offshore or outside the country, is that his government just does not seem to understand. It is an overexpenditure problem; it is not a taxation problem.

I am fully aware that my comment and my follow-up question are not going to be directly on what he just spoke about, but I suggest with the greatest respect that his speech did not have anything to do with the topic that has been brought forward by the opposition, the Reform Party in this instance.

I am sure that coming from the banking background and as an economist he would be aware of the fact that while corporate profits have dropped 10 per cent in the last 10 years corporate taxes at all levels, including compliance costs, have increased by 69 per cent. I therefore find it somewhat strange that he and his government would be talking about a further confiscation of the wealth or the ability of corporations to be able to fund themselves.

I was listening to the chair of the finance committee talking about the fact that there are corporations that because of fast write-offs or other procedures involved in the current tax system should be taxed. That is why the government is talking about a wealth or a capital tax on larger corporations. This is exactly what the Liberals are talking about.

Would the secretary of state be able to inform us whether he, the finance minister and their colleagues are perhaps talking about a cash flow tax? In other words we understand that we have a wealth tax.

● (1255)

Because a corporation is able to carry forward losses and other legitimate things in the tax system it has a sufficient amount of flow. The government will say: "My goodness, here is a couple of million dollars flowing along. Why don't we put our ladle, our pail or our big scoop into this tax?"

Does the Liberal government not understand that individuals and corporations are saying no tax increase?

**Mr. Peters:** Madam Speaker, I am delighted to reply to the hon. member's question. Again we find the Reform Party is suggesting new taxes. The only matter of taxation the finance minister has mentioned is that we will continue to make the Canadian tax system fairer.

The Reform Party keeps suggesting new taxes. Let me tell Reform Party members that Canadians are not just concerned

with taxes. They are concerned with taxes; they are not just concerned with taxes. They are also concerned with jobs. They are concerned with education. They are concerned with crime in the streets. I read my mail every day. They are concerned about all these things.

The Reform Party is playing a Johnny one-note tune on deficits and on taxes and is missing what Canadians really want.

**Mr. Harold Culbert (Carleton—Charlotte, Lib.):** Madam Speaker, I am pleased to join in the debate.

During one of the question and comment periods this morning I mentioned that like many members on all sides of the House I have had an opportunity to host public forums on issues such as the debt and the deficit. We got input from people across our constituencies on what their approach would be. That is part of our responsibility. That is a part of our ongoing job.

Many people said to me that there had to be cuts on the expenditure side, that the government had to do better, that we had to eliminate waste wherever we find it or wherever possible, and that we had to avoid duplication in efforts whether with departments internationally or our provincial counterparts in their respective departments.

The finance committee looked at those matters during its review. The minister and his department have taken them into consideration during the process of preparing for the budget. I say to my colleagues across the way that many Canadians have told us at these meetings that they want government to get it right. That is exactly what we are attempting to do.

People lost faith in our predecessors. Goal after goal was set. Was one ever met? I do not recall one that stands out in my mind as being met.

The government set goals like one might in business. Any good business person knows that challenges and goals must be set for both the business and the staff. Goals are set that offer challenge; the goals are achievable albeit difficult. That is exactly what we have done as a government. We have set some difficult goals.

● (1300)

I have to admit in many cases I have scratched my head and asked how we are going to meet this, that it is going to be very difficult. During the process both the finance minister and quite obviously the Prime Minister have asked all departments, all portfolios and all ministers to share in this challenge before us. I am sure in many cases specific sums were expected to be cut from the respective departments.

As everyone in this House knows, program review has been taking place. That program review asked every department and every portfolio to look at every line of every expenditure to ensure that they were going to be able to justify it to you and me. Ultimately that is where our responsibility lies. It lies not in the