

*Government Orders*

When businesses are excessively taxed there is the exodus which has been experienced and observed in Ontario. Excessive taxation and a bad economic climate are not a promotion of business. Ultimately everybody, not just the rich, but the working class as well suffers more than they would under the other regime.

At the same time we need to be very careful here. Over and over I hear Liberals saying that we are a compassionate society. I believe that too. I believe in individually helping people who need help. If that is really true and a government system is taken away, we can count on individuals and organizations moving in to fill the gap and they will do it more efficiently.

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Madam Speaker, I carefully listened to the speech made by the member from the Reform Party. He talked abundantly about the debt. He used good images to explain it, especially when he used the family as an example.

I realize today that no matter what the debt is and no matter what the cuts are, the debt will go up anyway. My friends from the Reform Party very often say that we are going to hit the wall, which is what I think also.

My friend says that the situation is urgent, that we have to move rapidly and find a solution to the problem because water is getting into the ship. At the same time, my friend tells us that he has dreams and wishes, but the dreams and wishes will not lead to a solution. It does not matter what solutions we bring here, if they are not accepted by the government, they mean nothing.

Does my friend have the sensation sometimes that he is doomed to paint the ship while the ship is sinking?

**Mr. Epp:** Madam Speaker, it definitely does seem sometimes that the ship is going down, but I am not totally pessimistic. I believe there is a window of opportunity. That is why I am so sincerely urging that government members set a precedent today. Defeat the budget in order to force it to take more dramatic measures to balance it quickly so that the ship does not go down. My dream is for the individuals to do that based on their own conscience.

• (1710)

**Mr. Ted McWhinney (Vancouver Quadra, Lib.):** Madam Speaker, it is a pleasure to speak in the twilight moments of the debate on Bill C-76. If I may say, the House is in a mood of detente and relaxation which it is not always in. I have appreciated the comments made on both sides of the House in the last hour or so.

Bill C-76 represents a translation of the undertakings made by the government when it was elected and basically its program that it would conquer the deficit, reduce the national debt by a

dynamic program of creating new jobs, generating new revenues. This is essentially the thrust of the budget.

Members will notice the attention to prudent economies, the cutting of government operations, new approaches to federalism and federal-provincial relations. At the same time there is a redefinition because it inevitably follows in the federal-provincial balance.

I think this was the basic promise made by the Prime Minister and it is reflected in the budget, that in approaching the economic crisis our emphasis would be on job creation.

We have also undertaken to maintain the integrity of the social services structure, in particular medicare; to maintain the Canada pension plan, the social security structure that distinguishes Canada from the United States and other countries committed to the free market economy; and interesting and new approaches to unemployment insurance. We are getting away from the static approach intended to present a situation of continuing dependency by a new emphasis on job training and a new emphasis on training people for a better future and giving them some confidence in their ability to achieve that.

Last, in the area of federalism the approach to federal-provincial transfers in some senses redresses a balance in federalism that had occurred by glosses on the system established by the federal government entering what we could say in retrospect, were areas of provincial constitutional responsibility. There the argument was and it was a necessary one, that if the federal government had not moved in these areas the provinces would not have moved either and there would have been a vacuum in terms of important areas of social policy.

I will have something more to say on each of these particular issues at a later moment.

I do note that Bill C-76 will implement a savings of \$29 billion over the next three years: \$5 billion in 1995-96; \$10.6 billion in 1996-97; and \$13.3 billion in 1998. We think this is a responsible, realistic way to go. It sets out a program. A budget not less than any other type of law is itself a system of law in the making. It is a dynamic system and we build upon the achievements of one year in the next year. We have set up those goals on the basis of a three year period.

I think this is a very important part of the government economic structure. We have honoured the undertaking of no increases in personal income tax rates. We are closing the tax loopholes and we look for continuing guidance from Parliament and members on that. We are trying to improve tax fairness. That is an objective. At the same time the incentive to get the economy moving again will be to avoid increases in personal income tax rates. I mention in social services the maintenance of the integrity of the pension system because this has been a very important part of retirement planning for senior citizens and