

benefits for families and provided no jobs for the unemployed. How can he say that this is being fair to Canadian families?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has forgotten that there are many small business people who will receive the benefits of that capital gains exemption. Many farmers will receive the benefits of that capital gains exemption. Many people will receive jobs as a result of the encouragement to small business which has been given by that capital gains exemption.

The Hon. Member should allow her mind to expand a little bit to try to understand the new directions that we are staking out in this Budget. It is a break from the past, and it will result in better job creation in the future.

Ms. Mitchell: Mr. Speaker, I wish the Minister would allow his mind to expand to consider the many poor people in the country who are getting no benefits at all.

IMPACT OF TAX INCREASES

Ms. Margaret Mitchell (Vancouver East): How can the Minister say that he is being fair to families with the greatest need in the country, most of which are headed by women, when with one hand he gives them a measly \$70 increase in the Child Tax Credit, and with the other zaps them with something like \$500 a year in increased taxes and additional costs? Poor families have to pay these costs in the same amounts as rich families. There are increased costs for shampoo and drinks for kids, pet food, gas, and even heating the home.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is forgetting that in the past 15 years the Government has gone from a surplus position to a \$36 billion deficit position. No new jobs were created during that period.

Some Hon. Members: Oh, oh!

Mr. Axworthy: That is a bunch of nonsense. Come on, Wilson.

Mr. Wilson (Etobicoke Centre): If deficits were going to solve that job problem, it would be long since solved. We are asking Canadians to share in a broad range of things on a very reasonable and fair basis. I would like to stress once again that 80 per cent of the actions taken to reduce the deficit are through reduced spending, and only 20 per cent are through increased taxation.

Oral Questions

SOCIAL SECURITY

FAMILY BENEFIT PROGRAMS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance. I would like to remind him of some more broken commitments, promises, and sacred trusts. Many times during the last election campaign, and in the months since, we heard the Government say that any savings that result from adjustments to the social spending program would never be used to reduce the size of the federal deficit, but would in fact be used to target those groups in our society which need help the most.

If that is true, Mr. Speaker, would the Minister of Finance explain why, in today's dollar terms, there will be \$350 million less annually in the child benefits packages in 1990 than there is today? If he has done that, I want a commitment from him to replace that \$350 million loss to enable poor Canadians to live comfortably, as well as the people who are getting tax breaks from capital gains.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I thought the Hon. Member was going to stand up and congratulate me for the tremendous introduction of broad reform in the pension area. That is something with which he has been very much associated, and which is very far reaching. We said we would not make changes in the social programs and the family benefit programs, that they would not be redirected into the social envelope. That has been done.

• (1150)

Mr. Broadbent: It has not been done.

An Hon. Member: Again you lie.

IMPACT OF BUDGET

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, just for the record, there has been a \$350 million disappearing act with this, and I can explain it afterward.

Some Hon. Members: Oh, oh!

Mr. Murta: To whom?

Mr. Frith: The Government said that it wanted to target more funds to people in our society who need help more. If that is true, Mr. Speaker, will the Finance Minister explain to me and to Canadians how it is that in terms of 1985 dollars every family earning \$12,000 a year and more will lose money from the child benefits package?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member has failed to notice that we have responded to something he raised in this House in November, the fact that people who were earning \$10,000 or \$15,000, from their family benefits were receiving less than those who were earning \$20,000 and \$30,000. We have raised that amount—