

Family Allowances Act

There are in Canada 750,000 small and medium-size businesses. If each and everyone of them were to create two jobs because of our incentives, there would hardly remain any unemployed people in this country.

I have been talking about the Minister of Finance (Mr. Wilson) who put forward proposals, and now I will mention the Minister of Consumer and Corporate Affairs (Mr. Côté) who discovered that his department under the previous Liberal administration had been storing up without using them tremendous data concerning the various registered rights and patents. He is considering marketing those data, giving Canadian men and women and entrepreneurs access to existing patents so they could be made viable and marketed. This is another initiative that will now help create jobs, that will help businesses and, by the same token, Canadian families.

We have seen the Minister of Regional Industrial Expansion (Mr. Stevens) making money directly available, under Investment Canada and the new Small Business Loans Act, through credit unions, banks and caisses populaires, rather than through bureaucratic laboratories.

Also, rather than asking foreign entrepreneurs to consider investing in Canada as a burden, we opened the door to them, and we now tell them: Come and invest in Canada. Those also are concrete steps.

And you have more of them. I see in front of me the Minister of Employment and Immigration (Mrs. MacDonald). She handles a \$1.8 billion budget and I would ask Opposition Members to please read her programs for promoting employment. I would ask them to pay special attention to how she is communicating with Canadian men and women, asking them for employment development proposals and offering them Government support, both financial and technical. In addition, we are not merely creating, as was done before, jobs that will simply postpone the payment of unemployment benefits, having them alternate between a short 20-week work period and 20 weeks of UI benefits. Quite the opposite, she is providing Canadians with opportunities to exercise their entrepreneurship. This is what we said during the elections, and this is what we are doing.

Those are initiatives involving a few Ministers, Mr. Speaker, which are much more significant, and Liberal members in particular should be wary of deferring the legislative process in order to score political points. Let us do our job and acknowledge the fine results all our Ministers are getting. This is what I had to say, Mr. Speaker.

[English]

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, as I rise to take part in this debate, I would like to remind all Members of this House that the major part of the social policies of this nation has been Liberal legislation over the years. The Liberal Party of Canada laid the foundation for the young, the old and the unemployed in Canada.

Mr. Towers: You forgot about John Diefenbaker.

Mr. Hopkins: The Leader of the Liberal Party (Mr. Turner) has maintained throughout that the reduction of the deficit will not be done on the backs of the poor, the unemployed and the disadvantaged.

There is one thing I want to put on the record today. In the House of Commons *Debates* for December 20, 1984, at page 1401 of *Hansard*, the Hon. Member for Laval-des-Rapides (Mr. Garneau), the associate finance critic, asked the Prime Minister (Mr. Mulroney):

Could the Prime Minister inform the House whether it is his Government's policy, or whether his Government intends, to reduce gradually over the years the tax exemption for families with children?

RIGHT HON. BRIAN MULRONEY (PRIME MINISTER): No, Mr. Speaker. That is not what the Government intends to do.

Here for several days in this House we have been debating a Bill brought in by the present Prime Minister's Government which does that very thing.

In speaking a few moments ago, I noticed that the Hon. Member for Edmonton South (Mr. Edwards) said he wished the opposition Parties would bring forth something constructive in this debate. Let me say to him through you, Mr. Speaker, that if there is anything constructive we have to offer in this debate, it is for the Member to tell his own Prime Minister and his own Cabinet that when they make statements, they should either back them up or they should not make them in the first place.

This Government's biggest weakness, and it will be the Government's biggest weakness in the future, is its total lack of credibility. You cannot trust what the Government says it is going to do. If you take for granted what the Government says it is going to do and then take the opposite stance, you will probably know precisely what the Government is going to do.

The child tax exemption and other that exemptions brought in via the May 1985 Budget are affecting children and low income families. That is the reason for this wide-ranging debate. Many other items are increasing local taxes creating an added burden on low-income people. Other services are being withdrawn by this Government. These were not paid by low-income people before but they now face those charges. Tax exemptions for families with children will be reduced gradually over time.

This Government told the senior citizens exemptions would be reduced gradually over time. The Government told senior citizens that it was going to forget about the first 3 per cent of inflation and only pay senior citizens on the increase of inflation above that amount. That policy brought forth a new pressure group called "grey power". This new pressure group, "grey power", won its case and deserves full marks for doing so. Exemptions will be reduced gradually over time—\$710 per child by 1986, \$560 per child by 1987 and \$470 per child by 1988. It does not stop there. The family allowance will be deindexed from 1986 and the child tax credit will be deindexed from 1989 onward. The deindexation of personal income tax exemptions will push lower and middle-income Canadians into higher tax brackets. There is no question about that. Not only are low-income families losing indexation of the child tax