

Oral Questions

small business people, to get out and build the country and create those jobs for women and younger people. In that way we will solve the unemployment problem.

Some Hon. Members: Hear, hear!

BUDGET IMPACT STUDIES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in spite of what the Minister of Finance has just said, by his own admission unemployment levels will remain in excess of 10 per cent for the rest of the decade. I got that from the Budget.

The Minister's officials in the Department of Finance indicated that studies have been done to evaluate the impact of the Budget on the various regions of Canada and on the various sectors of the economy in terms of job creation. If the Minister of Finance has the confidence which he says he has in this Budget, will he table those impact studies to give us all a chance to see the impact on the regions of Canada and the various sectors of our economy?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member put the same question to me in November. The result in job impact that we have seen since that time is far in excess of what the computer model said at that time that it would be. Therefore, the Hon. Member should not go around with a little black cloud over his head as he has time and again in the past. He should have confidence in the people of Canada. He should have confidence in the future and watch the jobs being created.

Some Hon. Members: Hear, hear!

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THE BUDGET

GENERAL TAX INCREASE

Miss Aileen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. The Government promised a tough but fair Budget. It seems that middle and low-income families have been singled out for most of the tough treatment and little of the fair treatment. For the nearly 60 per cent of Canadian families earning less than \$25,000 a year, this Budget is brutal.

On March 1 the Minister said that he was not in favour of general tax increases lest they "dampen the economy". Will the Minister tell the House what caused the 180 degree turn before March 1 and May 22?

Hon. Michael Wilson (Minister of Finance): There is no 180 degree turn, Mr. Speaker. I said at that time that my preference was not for a general tax increase in the sense of having an increase in the rates. I have said that the impact that we want from this Budget must be seen to be fair. The decisions that we have put in place today will result in 80 per cent of deficit cutting coming from expenditure reductions, and only 20 per cent coming from tax increases. Those tax

increases are spread over a broad range of things and people in the country, and have been regarded as fair. Everyone is sharing in it. Everyone is shouldering some of the burden. I think the result will be a much more optimistic outlook, particularly as it relates to—

Mr. Speaker: Order, please. This is becoming a speech. The Hon. Member for Trinity on a supplementary question.

EFFECT ON UNEMPLOYMENT

Miss Aileen Nicholson (Trinity): Mr. Speaker, the Budget is bad news for middle and low-income Canadians, but for the 1.4 million unemployed it is a disaster. We need growth to make any real reduction in unemployment. The *Budget Papers* anticipate GNP growth of only 2.4 per cent in 1986, half the rate when the Liberal Government was in power in 1984. The *Budget Papers* say that in 1985 consumption spurred economic growth. This Budget strips spending power from the average—

Mr. Speaker: Order, please. A question please.

Miss Nicholson (Trinity): Will the Minister admit that his Budget measures not only dampen the economy but may choke off recovery, and that as a result even the slight reduction of unemployment which he projects for 1986 will not be attainable?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member wants to use numbers, let me ask her to comment on this. Two hundred and one thousand jobs—

Mr. Gauthier: No, you are answering the question.

Mr. Wilson (Etobicoke Centre): I am answering the question. Two hundred and one thousand jobs were created since September 1. In the previous year, over the same period when the Liberals were in power, 72,000 jobs were created.

Mr. Axworthy: Two hundred and fifty-five thousand. Quit lying, Wilson.

Mr. Wilson (Etobicoke Centre): The Hon. Member has asked a specific question, Mr. Speaker. She wants to know what we are doing through this Budget for the 1.4 million Canadians without jobs. What we are doing is telling 700,000 small businesses that they will have a tremendous impact on unemployment if they create one or two jobs each. If they do that, many of those people will be able to—

Mr. Speaker: Order, please. This is supposed to be Question Period.

EFFECT ON FAMILIES

Ms. Margaret Mitchell (Vancouver East): My question is also directed to the Minister of Finance, Mr. Speaker. Yesterday the Minister gave a \$500,000 capital gains gift to the rich and \$2 billion to the oil companies, while he reduced indexation of family allowances and old age pensions. He cut child