

Budget which will widen the gap between the rich and the poor in our society. The Minister of Health now has the gall to defend the measures in Bill C-70 while being conspicuously silent on the even more damaging effects Bill C-84 will have on family incomes in the country.

Having said that, I would like to end my remarks on some of the general formalities. At the very beginning of this debate I indicated to Members of the House that the intent of the Government was laudatory. When the child benefits package was referred to committee, members of the committee were asked to consult as widely as possible with various groups across the country and make recommendations to the federal Government suggesting ways and means by which the family allowance, the child tax credit and the child tax exemption could be altered to ensure that more money could be put into the hands of those families who need it the most. That was the original laudatory intent at the beginning of the debate on the child benefits package.

I have indicated to Hon. Members before that when we received that mandate from the federal Government the committee spent, if I am not mistaken, some nine or ten weeks listening to various groups from across the country. The groups and individuals who appeared before the committee did so in the belief that if they gave proper advice, and if we were able to wade through the various testimony, that the three political parties could come up with a better package to recommend to the Minister of Health in order to change the child benefits package. We did so.

With respect to the child tax credit, we recommended that the Government significantly improve the package because we happen to believe it is a socially progressive way by which we can put more money into the hands of poor families. We also recommended that the Government look seriously at eliminating the child tax exemption so that any savings which would result to either the federal Government or the provincial Governments would be funneled into lower income groups. Those were the recommendations of the committee to the Minister of National Health and Welfare.

Frankly, it seems that we wasted our time in that committee because not one of the general directional recommendations which we made was accepted by the Minister, or the committee on planning and priorities when it considered proposals not only to deindex personal exemptions but, worse still, to deindex the family allowances and old age pensions. Largely because of the senior citizens in the country who were so outraged by the thought of having their pensions deindexed, we were able to mount such a successful campaign that the Government had no choice but to back off with its plans. I take it what the Government decided to do was to hang tough, so to speak, with respect to the equally negative effects that this Bill will have on family benefits.

As I mentioned at the beginning of my speech this afternoon, despite the fact that the petition campaign which was launched was the most successful in Canada's history, in which we received between approximately 100,000 and 150,000 signatures, the Government's plan to deindex family allowances

stands. This Government remains committed to the direction it established fiscally on the night of May 23.

What I think is most disturbing about the debate is the following. The blank cheque which Canadians gave to the Conservative Party on September 4, 1984, to institute fundamental change in order that Canadians who are not as well versed in the problems facing social programs in the country said, in essence, to the Conservative Party: "We are giving you authorization for change to these systems".

I had hoped when we began the debate on the review of family and seniors' benefits that all three political parties could have recommended a much better system. I believe we could have recommended a system such as the one referred to by the Hon. Member for Vancouver East. She indicated to the House, and I reiterate, that time and time again professional groups in Canada have come before the Government, not only this one but others, to put forward proposals which would achieve the goals and objectives which were originally established when the debate on child benefits began. That was, namely, to put more into the hands of those who need it the most. It seems to me that if the objective of the exercise is to fundamentally alter the social policy of this country, then the time is right for that kind of debate.

● (1620)

The Budget which was tabled on the night of May 23, 1985, gives us the following lesson. If we are going to create the fundamental will to change the social benefit structures, then fundamental to the success of that objective must be the political support of middle-income Canadians. In order to achieve that political support, the perception and reality must be widely held by middle-income Canadians that the burden of deficit reduction will be shared equally by the corporate sector and by personal income. That, in essence, is where the Conservative Government failed. It failed because it misunderstood the feelings of middle-income Canadians who recognized that in order to deal with the problem of deficit reduction there would have to be some altering of the social programs. What they are asking is if the Government intends middle-income Canadians to expect to have changes in those programs, then the Government must be equally committed to a reform of the Income Tax system so that the corporate sector takes on its fair share of the burden. Until the day occurs on which a Minister of Finance rises in the House of Commons and indicates that the corporate sector of this country will have to assume its fair share of the burden of tax, I feel the Government is going to have a difficult time creating the political will to undertake the necessary reforms to our social benefits structure.

I say that in a particular sense. What I have gathered from my travels across the country is that what so incensed middle-income Canadians is that a Budget which was introduced at a time when we were just beginning an economic renewal and growth, would have deindexed the senior citizens, family allowances and personal tax exemptions while at the same time allowing \$500,000 worth of capital gains exemption for