

thereby creating jobs, rather than to offer a \$125,000 cash reward to people who have already made investments or will make some in foreign countries?

● (1130)

[English]

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, Members opposite, including those in the New Democratic Party, said that the job loss resulting from the November statement would be between 50,000 and 100,000. That was generally accepted by the Members opposite. If the Member is at all objective he will understand that the approach we took in November, which we have continued in the Budget, has been truly successful in creating job opportunities for Canadians right across the country.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In response to the specific question, we decided not to have a specific valuation date. We were going to spread the effects of the change in the capital gains exemption over a period of five years in order that there would not be the windfall impact about which the Hon. Member speaks.

INVESTMENT OF SAVINGS PLANS IN SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, if the Minister of Finance believes that his Budget will create so many jobs, why did he reduce the potential for job creation by small business by preventing owners and their families from investing their retirement savings plans in their own small businesses?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we did consider the option proposed by the Hon. Member. We did not do it because we felt that the advantage which some people might have taken of that provision would have resulted in a great deal of complexity in the Act. That complexity in the Act may have made it more difficult to get RRSP funds and pension funds into small businesses. In that way, without spending a nickel of taxpayers' funds, we will create a number of jobs by removing that obstacle and getting the equity capital into small businesses so that they can expand.

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PENSIONS

IMPACT OF BUDGET

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Prime Minister. As of this morning 32 national seniors' organizations and two provincial Governments have said that they do not agree with the deindexation of pensions by the Government. Today will be the fifth day that my Party is tabling petitions from seniors across the country saying that they do not agree with what the Government is doing. Yesterday I met with several hundred seniors in Toronto who said

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that they did not agree with what the Government is doing. They asked me to ask the Prime Minister why he is doing this to them.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend asks a very good question. I would very much like to be able to stand before the House of Commons and announce that it is within the power of the Government to reduce taxes and increase benefits for all Canadians, including the elderly.

We found a financial situation that was infinitely more difficult than anyone could have reasonably foreseen. We found that, in the absence of action, the entire social welfare structure could be jeopardized. If interest payments kept demanding more, and more, and more of government income, there would be less, and less, and less left in the future to sustain and render viable social programs for the elderly and others in Canada.

We had to make some hard decisions. I wish that the news could be better for all Canadians. I hope that in the near future it will be better. However, I think my hon. friend would agree with me, as I know all senior citizens will, that the way to renewal is through job creation. The 271,000 jobs created so far represent a major step toward rendering our social programs more viable.

Some Hon. Members: Hear, hear!

REASONS FOR GOVERNMENT ACTION

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is also directed to the Prime Minister. That does not answer the question the seniors are asking. It is not only the seniors who are asking that question. Later on today I will be tabling in the House a petition from 400 students of Malvern Collegiate in my constituency, who are grandchildren of those seniors. These students are asking the Prime Minister the same question. Why are you doing this to our grandparents?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that that too is a worthy question. I wish that we could be as generous as we would all like to be, with regard to all requests for more help for Canadians. My hon. friend mentions the students who will be filling the petition, as they ought to. He may want to remind them that Statistics Canada figures revealed this morning that there were 51,000 more students working this May than at the same time last year. I think that is progress as well.

Some Hon. Members: Hear, hear!

REQUEST FOR RECONSIDERATION

Mr. Neil Young (Beaches): Mr. Speaker, this supplementary question is again directed to the Prime Minister. If the economy is on a recovery, we are all happy to see it. No one would disagree with that. If the economy is on the recovery which the Government claims it is, and if the Government is