

The Budget

larly, from a 6.8 per cent annual rate in January 1991 to barely 1.6 per cent today.

[English]

The manufacturing and processing sector exports some 40 per cent of its production and is highly exposed to international competition. To help it meet the challenges of globalization, the manufacturing and processing tax will be reduced from 23 per cent to 22 per cent by January 1, 1994.

Furthermore the capital cost allowance rate will be increased for manufacturing and processing machinery from 25 per cent to 30 per cent.

[Translation]

The budget also recognizes the crucial role that research and development play in today's global economy. We are streamlining the administration of the scientific research tax credit. This should enable businesses to make greater use of the credit and stimulate about \$230 million of research and development in the next few years.

The government is setting up the Small Businesses Financing Program to help small businesses, which are so important to the Canadian economy, obtain loans at lower interest rates. Furthermore the ceiling for loans to small businesses under the Small Businesses Loans Act will double to \$200,000.

[English]

As one can see this budget makes a concrete investment in overcoming our current economic weakness, in reducing the burden of deficits and taxes, and in building a more competitive future. But it also invests new resources in assisting Canada's children, the disabled and students. The government has proposed major reform of the child benefit system. The new system will increase child benefits by \$400 million per year and target them to low and middle income families. I will come back to this proposal in a moment.

The budget also includes measures to help disabled persons play a fuller role in Canadian life. For example, the range of tax deductible expenses for medical treatments will be broadened.

The budget will also provide additional tax relief to students. The maximum amount of income on which the education credit is calculated will increase by one-third. The limit of the total amount of tuition fees and education credits which may be transferred to another taxpayer will rise to \$680.

Even as the government is being streamlined, measures will be taken to improve service to the public. For example, departments and agencies will work to provide more convenient one-step access to the services they offer. Standards of service will be developed for such matters as longer hours of opening and faster responses. Procedures and forms will be simplified and existing regulations will be reviewed to ensure they serve valid public purposes.

Yesterday in the budget we saw a major \$2 billion step toward improving federal support for children and families.

• (1640)

The new child benefit will consolidate the existing family allowances, child tax credits and dependent child credit into a single monthly benefit beginning January 1993. The child benefit will also include an additional amount for low income working families.

It is the largest and most important social initiative since the child tax credit was introduced in 1978. The proposed child benefits built on existing federal programs for children and families total \$15 billion annually.

[Translation]

Mr. Speaker, I would like to tell you today why we are taking this action. To begin, I would like to quote something that I read recently: "Children are an asset to the state, human resources are of much more importance than material resources". Those words were spoken by then Prime Minister Mackenzie King in the House of Commons in July 1944, nearly half a century ago, when the family allowances bill was presented. He also said: "There is an obligation upon the state to assist in the upbringing of children" and "the family and the home are the foundation of national life". To be sure, politicians are rarely unanimous. However, when the importance of children and families is concerned, I am sure that we can agree.