

The Budget

This is another positive measure that will allow for Canadian manufacturers and processors of new products, for technological change and for investment in new market research.

Small businesses will also benefit from positive measures announced in the budget.

The Small Business Financing Program will help small businesses in financial difficulty, including farmers, to obtain loans at lower interest rates.

At the present time the ceiling for loans to individual small businesses under the Small Businesses Loans Act is \$100,000, but under the new budget it will be doubled to \$200,000.

It is a fact that small businesses are the key to the healthy growth of Canada's economy, including job creation.

Although the federal tax treatment of small businesses is among the most favourable in the world, the changes announced in the budget will make it even more favourable.

This is a measure that will be favourable to small businesses and is expected to encourage investment in the many sectors of our economy in which small businesses are particularly active.

I would also like to say a few words about the program to improve family allowances. In recent months, a committee of members of our party, chaired by the hon. member for Calgary North, prepared a series of recommendations aimed at improving and increasing the effectiveness of federal assistance to Canadian families.

These suggestions were given due consideration, so much so that now there will be one monthly child benefit. The benefit will be as much as \$144 per month for one child, for a total of \$1,733 per year. Benefits will be targeted toward lower and middle income families and will not be taxable.

There have also been major improvements in the child care expense deduction. This measure should help low income families where both parents work.

These are the positive results of the work done by a group of members sitting on this side of the House, results that reflect the response their work received from the Minister of National Health and Welfare and the Minister of Finance.

Taxpayers may wonder how the government intends to finance the measures announced in the budget. The answer is simple: the government will pay for these tax measures by continuing to reduce spending, streamlining services, eliminating agencies and advisory committees, and privatizing Crown corporations.

This government will continue its efforts to reduce the deficit and the debt. It will reduce government bureaucracy, encourage private ventures and help business develop new products and reach new markets.

More important, the budget introduces measures that will help reduce personal income tax and the corporate tax burden, something unprecedented in Canadian history.

Canadians welcomed these measures with enthusiasm, which augurs well for economic recovery and job creation.

Mr. Guy H. Arseneault (Restigouche—Chaleur): Mr. Speaker, I want to thank you for giving me a chance to speak in this important debate on the budget brought down by the Minister of Finance.

• (1110)

You know, Mr. Speaker, this budget is trying to fool Canadians. It offers us fine words but does nothing to improve the country's economy or to help the millions of Canadians who are victims of this government's policies to pick themselves up and regain control of their lives.

For example, the government claims that this budget will reduce taxes for Canadians who are still suffering from the effects of the 33 tax increases, including the GST, that the government imposed on them. However, Canadians are not stupid and when they look at this budget closely, they will realize that the government is trying to trick them.

Indeed, what does this budget offer Canadians below the poverty line, those who have to make do with an annual income of \$15,000 to support their family? Well, I will tell you: It reduces their income tax by \$2 a year. For an average family earning about \$40,000 a year, the budget offers a \$27 reduction. That is not much.

The new child benefit program, for its part, is hardly better. An average family gets little from this proposal. For example, a family with an annual income of \$40,000 will receive only \$44 more in benefits. In three years, the value of this benefit will be 10 per cent less and in ten