

But the question I am asking myself, the question I was asked is this: Let us take a case which is not uncommon at all, a family with two children, a mother of two children who is the sole breadwinner and who asks: Why should I have to accept a cut-back, or will I eventually be forced to accept a cut-back?

I think the question is relevant, appropriate and to the point. And that woman, that sole breadwinner goes on to say: I understand and I am fully aware that our country's financial situation is not very promising, but when it comes to banks and matters of capital gains, do you find the means, the money, the resources? Yet, when it is a matter of small or minimum incomes, more often than not the strict minimum, you cannot find what is, under the circumstances, a relatively small amount, something like \$50 million.

Here is my question: What do you say to the man or woman who asks: Why must I bear the brunt of this measure?

[English]

Mr. Redway: Mr. Speaker, I am sure that the Hon. Member will have a very good and clear explanation for his constituents in answer to that particular question. Quite clearly, he can explain that we are not talking about one change to one program. We are talking about a package of three programs. The net effect of those three programs—with an increase in the child tax credits, a decrease in the tax exemption for children under the Income Tax Act and the modification in the indexing of the family allowances—is that families on lower incomes will receive more benefits.

● (1650)

I assume the Hon. Member was referring to a constituent in that position. I suspect he will be able to tell her that the net effect of all the changes in the Government's Budget for her and her family is that she will be much better off than before when under a Government of which he was a supporter.

Mr. Angus: Mr. Speaker, I have a question for the Hon. Member for York East (Mr. Redway). He made reference to the three packages and his belief that this measure will not negatively impact on lower income people. What if we add to that equation the other packages contained in the spring Budget, the changes in consumer taxes, the increase in RRSP limits and the capital gains break?

Does the Hon. Member agree that when you add those components and do a comparison by income level that in real dollars by 1990 those who are making \$10,000 a year will actually lose \$396 while those making \$200,000 a year will be increasing their benefits by over \$4,500?

In percentage terms, there is a greater difference. When you look at the percentage of disposable income, you find the \$10,000 a year earner dropping by 4 per cent but as a percentage of the discretionary spending, a drop of over 11 per cent occurs while the \$200,000 a year person increases his disposable income by 3 per cent and 4.2 per cent of his discretionary spending.

Family Allowances Act

Has the Hon. Member looked at the total package contained in the Budget, not just the narrow social one that he detailed a few moments ago? If he has, does he agree with the figures I have related to him?

Mr. Redway: Mr. Speaker, I certainly have looked at the entire budget package. I have looked at it in comparison with the family benefit package as well. I must say that I have to take issue with the Hon. Member on his figures. I am sure that in making his calculations, the Hon. Member has utilized the absolute maximum benefits that anyone could obtain under all of the provisions of the Budget if they remained in effect until 1990.

I am sure, at the same time, the Hon. Member has not taken into account any other changes that may come along in the interim between now and 1990. As we know, this Budget is for the fiscal year 1985-86. There will be five more budgets between now and 1990. Obviously there can be very substantial changes in all situations. As indicated on many occasions by the Minister of Finance (Mr. Wilson) and by other Ministers of the Government, provided the economic situation improves, very substantial changes will be made in all of the benefit packages that Canadians receive.

The Hon. Member overlooks the impact which the other changes will have. For instance, what about improvements to the economic situation, bringing about a Government fiscal situation with the deficit being brought into line and having people back at work again. In doing so, we generate wealth in their hands which, as the Hon. Member has pointed out on many occasions, generates additional tax revenue which in turn helps to reduce the deficit and helps to provide revenues to allow additional benefits to be increased.

When you look at the net effect and the whole picture, it does not look anywhere near as black as the Hon. Member paints. Far from looking black, the net effect of the Budget should be that employment will increase, people will be going back to work again, and not as many people will be on welfare and unemployment insurance. This reduces the costs of Government and in turn the deficit because people will be paying taxes again. All of this will get the deficit under control and will put people back to work again. The net effect will be additional revenues available for the Minister of National Health and Welfare and his colleagues to increase all of these packages.

When you look at things in a very narrow sense, and I understand that is the role of the Opposition—quite rightly so—the Hon. Member's job is to criticize, to be negative and to make sure that all of the negative aspects of a situation are brought out and not the positive ones, then you can certainly understand what the Hon. Member is getting at. However, if one takes a more positive view and looks at the net impact of all the figures in the Budget, he sees that we will be a lot better off whether a person is at the low end of the scale, the middle or wherever.

Mr. Schellenberg: Mr. Speaker, I have a comment and a question. I would like to compliment the Hon. Member for