child. The mother would receive a refundable child tax credit of $882 after filing her tax return. The total benefits would be $1,599. However, under the new system proposed in this budget the mother will receive a monthly cheque of $143.83 instead of $69.76. This cheque will not be taxed and the total benefit will be $1,762 for a net gain over the year of $163. Not only are the benefits greater, but the new system is much simpler.

• (1720)

Also, the child care expense deduction will be increased by $1,000 from $4,000 to $5,000 for children up to 7 years old and from $2,000 to $3,000 for children aged 7 to 14.

These changes will benefit low and middle income families and all families whose net income is less than approximately $68,000 per year.

Further, common law couples will no longer have a tax advantage over married couples. The government is supporting the traditional family by eliminating the existing tax disadvantages for married couples.

Some have argued that this budget does nothing to create hope or new jobs. However, I think that is completely wrong. I would like to explain why I think that allegation is wrong. I am going to use how this budget affects Ontario as the example and why I think that is wrong.

All seven million Ontario taxpayers will have their personal income taxes cut through a reduction in the surtax. It will go from 5 to 4 per cent this year and from 4 to 3 per cent the year after.

We will increase spending on research and development by $230 million to encourage productive investment in Ontario.

Our support for 4.2 million families and 3.4 million children in Ontario will be simplified, streamlined and substantially increased by $400 million per year nationally. Therefore, all these families will have more dollars to spend, thereby stimulating the economy and thereby creating jobs.

We will assist Ontario families to buy a home using their existing RRSPs up to a total of $20,000, thereby creating jobs in the construction industry and further spin-off jobs in other sectors dependent upon it.

The budget reduces the tax burden for approximately 18,000 manufacturers and processors in Ontario by 1 per cent on January 1993 and a further 1 per cent in January 1994.

We will increase the capital cost allowance rate from 25 to 30 per cent for manufacturing and processing equipment, thus creating a greater opportunity for expansion and more jobs. This is in addition to the increased capital cost allowance from 30 to 40 per cent for the trucking industry which we announced this past December.

We will provide new measures to assist Ontario's small businesses by increasing the loan limit to a small business by $100,000.

We will provide additional tax assistance to approximately 322,000 post-secondary students in Ontario, thereby creating a more highly trained labour force.

In summary I would like to say the following. Although none of these measures are dramatic in themselves, when they are all taken together they create new hope and jobs. That is not just my opinion. That is the opinion of people such as John Bulloch, president of the Canadian Federation of Independent Business who said: "I think we can be pretty hopeful that jobs will be more secure because of this budget".

Further, the president of the Canadian Manufacturers' Association said: "I think the budget will help improve the investment climate in the country". The president of the Retail Council of Canada said: "The most important thing is the stimulus to consumer spending in this budget.

Therefore, the opinions of others and everything I have just listed would indicate that all of these put together will create more investment, greater consumer spending and, therefore, more jobs.

Over the last year much has been made concerning the effect of the GST on our economy. In response, I would like to quote from *The Globe & Mail* editorial of December 31, 1991.

> An inflationary tax? Wrong. Instead of double digital inflation predicted by the President of the Canadian Union of Public Employees, inflation has subsided to less than 2 per cent on an annualized basis since last spring.
>
> A tax grab? Wrong. This bears repeating. The GST is not a new tax. It replaced an old tax. The 74-year-old manufacturer's tax. An inefficient tax? Wrong. The GST treats manufacturing and services the same. Within the manufacturing sector, it applies evenly to all goods. It taxes imports and domestic goods in equal measure and exempts exports from tax. The GST's input credits ensure firms are not taxed for investing. As a consumption tax, it avoids taxing individuals for saving. It is thus more neutral in its effect on the economy than almost every other tax imaginable.