

The Budget—Miss Bégin

in part to people whose income does not exceed \$40,000. I, for one, am therefore fully satisfied that most low and middle income Canadians will be protected. And what is to be done with all that money? This can be found in what is called the Fiscal Plan.

Money will be saved there, and I am glad because this measure is regressive in nature, it is not fair to those low income people who are paying no income tax. The exemption for dependent children, which I think amounts to \$710 now, will remain the same, something I can live with for the following reason. All families, mothers and children whose parents are earning less than \$11,000—you cannot go far with that nowadays—have never seen any of that money because they are not even earning enough to pay income tax, unlike all those who have more than an adequate income, such as all Hon. Members in the House of Commons.

[English]

All Members and Ministers fall into that category. Most people on the Hill, most people in Ottawa who earn good salaries, have never realized that they get quite good value out of that special exemption for each child—not the Child Tax Credit but the exemption of \$710 which they deduct from their income on which they have to pay tax. That is worth a cash contribution of \$400. I am very pleased that the ceiling of that has been frozen and that it will not increase.

I am very pleased that the Minister of Finance (Mr. Lalonde) has stated that these two future savings go into the social policy fund, a special fund that is mentioned on page 16 of the Fiscal Plan which in four years will become \$585 million. It starts at the end of this year with \$20 million and is piling up in a special bank account to become \$585 million in four years. That will go to our most urgent needs for future funding in the social policy envelope.

I am extremely pleased about these measures, Mr. Speaker, and I could go on and on but I do not think I have time. But “social” also means all the low income housing which has been announced. It means—and this I want to stress as the Minister of Health directly responsible for the health status of the Indians in our country—that the good money put aside for Indian housing may not look as if it were directly connected, but if people knew how much decent housing is a factor in good health they would understand. We have had it so good for so long in the southern part of the country that we forget what it is like on Indian Reserves and in isolated parts of the country. Good housing, decent housing, means good health. Therefore, I am very pleased that an additional \$14 million is put aside in the budget for on-Reserve housing, which will really be of tremendous help to improve the health standards and the socio-economic conditions of Indian communities. I believe all my colleagues agree with that.

● (1620)

I believe I should add one more element which is a social concern as well as a business one. That is the fact that *le petit monde*, the small people—and that may not be the exact expression in English—the workers, people with small incomes, will see great savings because of the fact they can

now claim much higher expenses for their tools or other expenses related to their employment. That provision is excellent. There are a great many things I would like to say about the fact that our country has not embarked on Reaganomics. The budget, after a long suspense of several months, is the very proof, if I dare say, by what is not in it as well as by the measures I have just outlined, that Canada is not in the Reaganomics business or on a Reaganomics trip. I say that meaning no insult to our friends south of the border but simply to say that we have managed, and I am so very pleased about it, to save all the social programs and have maintained them.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Minister. For a number of years now voluntary organizations have been banded together in one Canada-wide organization representing over 150 voluntary organizations many of which are involved in health and welfare fields, including the Cancer Society, the Canadian Mental Health Association, the YMCA and the YWCA, to mention a few. All of these organizations do important work. They also employ about 175,000 people. Since 1977 they have been urging the Government to eliminate the \$100 automatic deduction which people are permitted to claim on their income tax returns for charitable and medical expenses, whether they made the contribution or not. These organizations wanted the Government to get rid of that \$100 automatic deduction and give a tax credit of 50 per cent to people who actually make contributions to charitable organizations involved in various fields. They felt very strongly that that kind of system would enable them to raise a great deal more money to fund their projects which, if they were not funded by these organizations, would have to be funded by the Government. What the Minister of Finance (Mr. Lalonde) did the other night was to remove the \$100 automatic deduction which gives the Government about \$80 million more in taxes, but he did not do what the voluntary organizations had been urging him to do and which in 1978 he said was a good idea. Could the Minister tell the House why the Government did not do what the voluntary organizations urged it to do which to a good many people seems to be a very sensible step to take?

Miss Bégin: I could give an explanation even though I am not the Minister of Finance. I am very aware, of course, of the problem raised by the Hon. Member. I was very pleased to announce three weeks ago an additional \$3.2 million in sustaining grants to voluntary organizations in the health and welfare fields. The answer is that in this budget we have taken the first step toward what they have asked. We believe it will help the associations to raise more real revenue. That was the thesis which was put to us. I was the Minister who attended several of the symposiums of the Coalition of Voluntary Associations. It is true that they wanted the deduction replaced by a tax credit. I do not have the figures from the Department of Finance. We could obtain them easily. I just do not have them with me this afternoon. The tax credit of 50 per cent is, of course, far more expensive to the Treasury than the