

The Budget—Miss Bégin

Canada, like all western democracies, is in a period of financial restraint. This budget will help us move toward recovery. However, we have kept our social commitment to Canadians. The American Government is seeking drastic reduction in social security spending. The Dutch Government has proposed a 12-month freeze on social service benefits, the closure of some hospitals and an increase in social security premiums. In France, which has a socialist Government, hospital patients will be required to pay daily for food and other non-medical services. The West German Government will require pensioners to pay health insurance contributions. Surely all these restraint measures will hurt those who can afford them least.

• (1610)

In Canada we have taken decades to build our social programs. Now we find ourselves in the most serious period of restraint since the thirties. We feel the pressure to ease the burden of these expensive Government services but we are determined to make this leaner time as equitable as possible. It is not just good enough to maintain the social policies that we have developed. It is not because times are tough that we cannot, here and there, keep budgetary restraint in mind and make sure our tax dollars are well spent. It is like a test. The social programs are being challenged to prove that they are useful, well run and necessary to the well-being of the country. In other words, we must use this time to make sure that we are serving Canadians well. That is the way I envisage the crisis that hit all of us and in particular, the most fragile sector of social security.

Recently there has been increasing discussion in this country on the issue of universality of our social programs. We have heard from many individuals and organizations on these important issues. Canadians have told us that they have a strong preference for the maintenance of universality as a basic element of social programs. Canadians do recognize, however, that a greater proportion of available funds must be aimed at helping families that need help most.

One of the areas that has brought forth a great deal of discussion is the child care expense deduction. The growing consensus—I have to use the word “growing” because it is not yet done throughout the country—is that the current child care expense deduction is totally inadequate. Daycare costs have risen tremendously since 1976 when the limit of \$1,000 per child or \$4,000 per family was set. Consequently, the past budget practice was unfair and especially onerous for single-parent families, mostly headed by mothers who must combine work and child rearing, a difficult task at best. It is much harder when you realize that women usually make only 58 per cent of men’s salaries. The inadequacy of the child care expense deduction places a burden not only on the single-parent families but on families where both parents work. The Government has responded through the budget, and I am pleased about that.

[Translation]

The budget proposes changes in the child benefit system that will maintain the principle of universality in programs aimed at low- and middle-income families. In recognition of the real costs being incurred by families, we have increased the Child Care Expense Deduction from \$1,000 to \$2,000 per child and \$4,000 to \$8,000 per family, thus doubling the present deduction. This will certainly help those 750,000 children in families where the mother works outside the home, and I am referring to children under six years of age. This measure is an excellent one. I realize it does not cover the entire cost of child care, but it has never been the policy of this Government to subsidize the total cost of child care. Our objective is to support the family in its role of bringing up children in a society where all family partners are working. Of course, we take this opportunity to do away with the indirect sexual discrimination which did exist, since that assistance was provided only for mothers, and in response to the tribunal of the Canadian Human Rights Commission, the other family partner will henceforth be able to claim the deduction, according to the circumstances, and the spouse with the higher income of the two partners will be able to claim the deduction.

We have also taken a very significant step which will affect a great many people—precisely two thirds of all Canadian mothers. It has to do with the child tax credit, which has been increased by \$50 this year to help families live through difficult times. Of course, that extra allowance was to be removed in the coming years. However, it will be maintained and, in addition, when mothers claim their child tax credit next spring they will still be entitled to a non-taxable amount of \$343 for each child. Those extra \$50 will cost us \$85 million this year and \$90 million next year. Obviously, although all that money is lost to the Government because it goes directly into the pockets of mothers, in this instance, they will not hang on to it very long and they will inject it right back into the economy through household expenses or purchases for the children. So that amounts to an investment in low income families and young couples who are still not earning very much in life. I fully endorse that measure and, as Minister of Social Affairs, I am delighted.

We have also advocated two other changes which in the future will enable us to channel our social expenditures where they are needed. If I may, I should like to comment briefly on them. The \$26,330 ceiling with respect to the child tax credit will remain unchanged. That is a sizeable increase, and my colleagues will recall that when Parliament voted for that program in 1978 the limit was only \$18,000. It has now been raised to \$26,330 and our intention is that it should stay there. We will save some money, of course, for instance by maintaining the full indexation of the amount itself without raising the ceiling. It should be noted that this will not be done at the expense of people who need the money because, for a family with two children, the child tax credit in 1983 will still be paid