

Income Tax Act

do more. However, there are limits to how far you can go given the terrible economic situation we inherited from those people across the way. We have to keep that in perspective. The Hon. Member for Ottawa—Vanier said we are giving people their own money. Yes, that is true. This money can be claimed on their income tax return and they will receive it sometime in, say, late February through to April if they file on time. However, we are giving it to them now when the need is greater. That is the significance of this action. We are also giving it to them with no penalty or interest charge whatsoever. That is a measure which the Opposition should applaud.

● (1550)

Second, we have humanized the process through an unprecedented payment of \$300 per child when the money is needed most. Third, we have done this while beginning to correct the terrible burden of the debt left by the former Liberal administration. None of the serious economic measures which were announced in the Economic Statement or the 1985 or 1986 Budgets will in any way adversely affect those with annual incomes of less than \$15,000 because these three measures have been brought in as a package. We must remember that.

We should also remember that the best social policy for every Canadian is a job. The best social policy for those with jobs is a government which carries on fiscal responsibility and starts to bring order to this country which had none prior to 1984. We can strengthen our economy and offer a tremendous benefit package of social policies to people if we can begin to tackle the huge and unconscionable deficit left to us by the profligate and irresponsible spending of the former administration. Opposition Members ask why we do not give more. They should know why we cannot. They are the ones who created this debt. They should be telling us how to deal with the debt at the same time as helping these people. We have set the example and I expect them to give us a little more support on this issue.

In conclusion, the bottom line of Bill C-11 is good news for the most needy of Canadians. Even with the sound policy of partial deindexation the Government has ensured a net gain for these families. The concept of prepaying a tax refund is an unprecedented measure to assist destitute Canadians when they require help the most, when they face the additional costs of winter and Christmas. This is further evidence that the Conservative Government is fulfilling its promises of the election of 1984 and the promises and commitments made in the two Throne Speeches which we have had to date. It is further evidence that the Government is willing to tackle both problems at the same time, the need for fiscal responsibility and the need for social responsibility. I commend this Bill to all Members of the House.

Mr. Murphy: Mr. Speaker, I suspect that this was the Member's Throne Speech address. However, he did mention the Bill once in a while. He also mentioned that there was no way the Government was reducing the child tax credit. If that

is the case, why is it that in 1989 and the years following the child tax credit will be partially deindexed? Why is the Government guaranteeing that in the future the increase in the child tax credit will not fully cover the increase in inflation?

Mr. Reimer: Mr. Speaker, I referred to the fact that rather than the family allowance being decreased, the increase will be lesser. The Member is going beyond the actions which we have taken up to 1988 with regard to the child tax credit. He is getting into the hypothetical. I believe we should stay with what we know.

Mr. Murphy: I am not being hypothetical at all. I am telling the Member through you, Mr. Speaker, that the Government has said that in 1989 it will take away the full indexation protection for the child tax credit as well as taking it away immediately with regard to the family allowance. The Member should not say that I am speaking hypothetically. His Government has publicly declared that it will not provide full indexation protection for the child tax credit.

Mr. Dick: Is it the law?

Mr. Murphy: One of the new Ministers asks, "Is that the law?" I ask him whether we can trust the word of the Government that it is indeed the fact. However, I am addressing my comments to the Member who just spoke. Will he get up and clarify what he just said? Will he not admit that the Government is not going to provide full protection from cost of living increases for the child tax credit commencing in 1989?

Mr. Reimer: Mr. Speaker, the Member knows full well what we have announced with regard to the child tax credit for 1986, 1987, and 1988. He also knows exactly what we have done with the family allowance and the federal sales tax credit up to and including 1988. Therefore, we should deal with that which we have before us, that being what the Minister of National Health and Welfare (Mr. Epp) has done up to and including 1988. To go beyond that would be to get into the hypothetical. I am sorry to have to remind the Hon. Member that we are getting into something we do not know.

Mr. Gauthier: Mr. Speaker, the Hon. Member referred to me in his speech quite often. I thank him for those references. It will be interesting to see how it reads.

The Member indicated that some of my remarks were somewhat pejorative in that I was imputing motives or certain other things to the Government. I hope those were clear. I do believe that the Government is insensitive to the needs of the families of the country.

Is the Member aware that the last two Budgets have added an extreme burden to single families? Twenty per cent of the families in my riding of Ottawa—Vanier are single parent families. Eighty to 85 per cent of them are women and most of them live below the poverty line. Is the Member aware that a lone parent family with two children earning \$20,000 has added obligations of \$420 in direct taxes to pay since the Government took office two years ago? Is he aware that those