

Income Tax Act

Clearly the results prove the correctness of the direction and thrust of our policies. We have been doing something that our predecessors never dared to do. We have been trying to grapple meaningfully with a mountain of inherited debt and at the same time help out the disadvantaged regions and deal compassionately with those who find themselves in need.

My hon. friend asked where Bill C-11 fits into all of this. It is part of the over-all strategy of the Government commenced in the fall of 1984 leading to economic renewal, to the alleviation of regional disparity and to social justice. The 1986 Budget presented a clear promise that fiscal integrity would be restored over a reasonable time frame. It also took steps to improve tax fairness, to aid small business, to help the farm community, to provide more flexibility for RSP withdrawals, to extend the fuel tax rebates for primary producers and to initiate new measures to assist low-income Canadians.

Bill C-11 calling for partial prepayment of the child tax credit is in keeping with our clear commitment to help those in our society who find themselves in need. This prepayment will provide timely assistance to Canadian families and will reduce the need for them to resort to tax refund discounting.

Last year, the 1985 Budget increased the child tax credit for low income families from \$384 per child to \$454 this year, \$489 next year and \$524 in 1988. In instances where there are not taxes payable, the credit is refunded, thus ensuring that low-income families are able to benefit. The amount of the credit is reduced by \$5 for each \$100 of family income over \$23,500. This child tax credit initiative has been targeted, of course, to those in society who need it most and represents a compassionate and caring approach.

As the child tax credit increased, the prevalence of tax rebate discounting services also increased. Some of these discounting services preyed on the recipients of child tax credits by charging 15 per cent of anticipated refunds. In many cases, over 50 per cent I am told, these refunds consisted solely of the child tax credit. In response to this problem, the Government passed last year an Act to amend the Tax Rebate Discounting Act so as to increase the level of consumer protection provided to those who use the tax rebate discounter to receive an immediate cash settlement of their anticipated payments. The maximum rate was reduced in that legislation to 5 per cent on any amount over \$300. That legislation helped to break the cycle of dependence on the tax rebate discounting operations. Bill C-11 will certainly further that objective.

Bill C-11 will permit the Government to prepay a portion of the child tax credit that would otherwise only be payable at tax time the following spring. The legislative measures required are, first, to ensure that prepayment will be \$300 per child, an amount equal to approximately two-thirds of the full credit. The remaining amount will be paid after the 1986 income tax return has been filed and processed. Second, the prepayment will be made automatically to eligible claimants who had a family income of less than \$15,000. No application will be required. An estimated 725,000 families will benefit from this.

The essence of the Bill is to provide timely help, help when it is needed. This help is needed in the fall, a time when the burdens of caring for children are the greatest.

• (1230)

The initiative under this Bill will assist a number of farm families in my constituency who, through no fault of their own, find themselves in a difficult cash flow position. They are also heartened by a number of other measures that have been instituted by this Government, which I briefly want to mention. These include the recognition of agriculture as the most important building block in western Canada. They will remember that this Government overturned two of the most catastrophic man-made disasters ever to face western Canada in the form of the National Energy Policy and the capital gains tax. Both of those measures were dealt with by this Government in the first year.

Mr. Speaker, western Canadians remember when there was a drought and a need and this Government contributed \$48 million to livestock drought assistance, and a further \$150 million by way of crop disaster assistance. They recall that compulsory metric measurement was causing all sorts of grief in the fields and on the farms. They know that we allowed imperial measurement and mixed measurement on a voluntary basis. When the cattlemen were being devastated by the dumping of beef by the European Common Market, a practice that the previous Government permitted and which allowed importation of Common Market beef to increase from zero in 1980 to 50 million pounds in 1984, they will remember that it was this Government that invoked the meat import law and assisted them in their successful countervailing application. Because cash flow was tight and there was a need there, they know that we doubled the cash advance levels under the Advance Payments for Crops Act. We promised that we would make western grain stabilization more responsive to the needs of the farmer. They will recall that we instituted amendments which permit a timely interim payment in the spring, when the dollars are needed most. They know that we improved the Canada-Saskatchewan crop insurance program by increasing coverage from 70 to 80 per cent without premium increase. This same program, contributed to jointly by the farmer and the federal Government and administered by the province last year, paid out some \$376 million to Saskatchewan farmers, \$125 million in my riding alone.

This list goes on and on. I see that my time is almost up, Mr. Speaker. I just want to close by saying that this Government has done all it can do to help the needy and the disadvantaged and to assist the regions of this country. We have done it in spite of historically low world oil and grain prices. We have persevered in spite of the legacy of debt left by our predecessors. We shall continue to build this nation and to forge a better tomorrow.

Mr. Parry: I would like to ask the Member for Swift Current—Maple Creek (Mr. Wilson)—and it did not escape my notice that eventually he did get around to talking about