

The Budget

One of the aspects which I find fairer in this budget than in previous budgets is the provision which my hon. friend has just referred to, and that is making the tax system even-handed in dealing with common law couples as it does with married couples.

But there is one aspect where I think there is some good work to be done in the future. I applaud the moves contained in the budget that better provide for families with children. I think that initiative, put forward by the hon. member for Calgary North and proposed by him to the Standing Committee on Finance on December 11, has been well responded to and will be welcomed by Canadians, not only those who have families at this moment but those who applaud the institution of the family as the foundation stone of our society.

I wish to address the question of child care choices. As my friend from Calgary North told the finance committee in December, our present system "fails to recognize the worth and cost of stay at home parents. The government interferes with the parents' ability to choose the kind of day care they believe is best for their children because financial support through the tax system is only provided to those parents who choose professional day care with the child care expense allowance. Parents who decide to stay at home with the child can make no such claim".

The analysis which the member for Calgary North and his committee conducted during last year found that current child care costs in the tax system consist of the child care expense allowance, which could be claimed as a deduction by the lower income parent. The maximum allowed until this budget was \$4,000 for children under the age of seven and \$2,000 for children between the ages of seven and twelve, to a maximum of two-thirds of the income of the parent with the lowest income. The member for Calgary North, with some assistance from others, ran a computer simulation and found that the effect of putting the current child care expense allowance funding into an enhanced refundable child tax credit would result in the average married couple with young children, earning less than \$60,000, who use child care would be better off if the child care expense allowance were cancelled and if the money saved were rolled together with the other items within the IRCTC.

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Further, adding this result to the bias that the CCEA introduces against the parent who decides to stay at home to look after the child would make a very strong case for abolishing the CCEA. The only concern is whether the statistical averages in the simulations might hide some new hardship induced by this policy change.

There are low income families who find themselves in districts with insufficient low cost day care. This problem ought to be addressed through the combined efforts of the federal and provincial governments using the Canada Assistance Plan directly to lower day care costs locally rather than perhaps through the income tax system.

Those were some of the recommendations made by the member for Calgary North and his committee. I was very pleased that not only was there a strong element of social policy made in Alberta introduced into this budget, but also that we have had a budget speech delivered by a western Canadian for the first time in some 60 years, and a fine speech it was. I will in a few moments be coming to some of the aspects of how that speech was received in my home city and my home province.

There have been many who have asked me: "What does this budget contain for Albertans?" I am happy to say that my study of the budget documents indicates that it is even-handed treatment for all Canadians regardless of what part of the country they live in. I have done some calculating as to what the impact of the budget will be on the life of Albertans.

The budget cuts spending, cuts taxes and bolsters economic recovery. It also ensures substantial declines in the deficit for 1992 to 1993 and beyond. Spending will be cut by \$1 billion next year and \$7 billion over the next five years. All 1.6 million Alberta taxpayers will have their personal income taxes cut through a reduction in the surtax. There will be an elimination of the excise tax on ethanol and methanol portions of blended fuels that are mainly gasoline. Good news for our agricultural economy and good news for the environment.

Our support for 1.1 million families and one million children in Alberta will be simplified, streamlined and substantially increased by \$400 million per year nationally. Tax disadvantages for the traditional family unit will be eliminated and will assist Alberta families to buy homes using their existing RRSPs.