

### *Supply*

Therefore this government has taken action in this budget to meet the threat posed by the growing public debt. We have had difficult choices to make but we have proposed a package of measures that reduce spending and increase taxes while protecting those Canadians most in need.

Furthermore, this government remains committed to a caring and compassionate society.

Our policies have helped the needy and the disadvantaged—and will continue to help these people in the coming years, regardless of what the opposition has been alleging. And this Budget does not jeopardize the social safety net—in fact, the Budget measures *preserve* the social safety net by establishing the path for a sound financial basis for social programs in the future.

Our commitment is reflected in our success in reducing the incidence of poverty and hardship among Canadians. Since this government has come into power in 1984, well over 600,000 fewer people are living under the poverty line and the incidence of poverty has fallen from 17.3 per cent to 14.1 per cent.

These advancements are in large part a direct response to the Government's performance on both the economic and social fronts.

In this regard, our economic policies have improved income security by creating more jobs across Canada—in fact, over 1.3 million jobs were created—and “the best social policy is a job”. They have also held inflation in check.

We have already brought the Canadian economy back to a solid footing after the recession of the early 1980's. We are now consolidating that economic base in order to do even better.

Through tax reform, we improved the simplicity, fairness and equity of the income tax system by converting personal exemptions to credits and by lowering and reducing the number of income tax rates. 850,000 low-income Canadians were taken off the tax rolls as the result of this policy change.

The Government remains firmly committed to maintaining social programs while recognizing the need to direct benefits to those most in need. One only has to look at the important improvements made in recent years in respect of benefits available to families to see that this Government strongly believes in assisting families in need.

Family allowances are currently received by over three and one-half million families on behalf of six and one-half million children. Gross federal payments in 1988-89 for this benefit totalled \$2.6 billion.

The Child Tax Credit program directs funds to lower-income parents.

• (1440)

Since 1984, the maximum value of the basic credit has increased by more than 50 per cent; that is, it has increased from \$367 to \$559 per child. In addition, to ensure that benefits are received by parents on a timely basis, the credit is now prepaid in November of each year. Approximately 800,000 Canadians received the prepayment last November.

For families with preschool-aged children, effective for the 1988 tax year, a supplement has been introduced to the basic child tax credit equal to \$100 per child. The supplement was also prepaid along with the basic credit in November. For the 1989 and subsequent tax years, the value of the supplement will increase to \$200.

The issue of family violence is also a concern for this government—because it has long-lasting effects not only on individuals and families, but on society as a whole. Clearly, we all have an interest in resolving this problem. In 1988, the Federal Government announced a \$40 million commitment to help address the problem of family violence. The cornerstone of this initiative is the establishment of 500 new short-term shelter units through CMHC for crisis assistance. The first emergency shelter funded through this initiative was opened in Swift Current, Saskatchewan.

Given the increasing Labour force participation rates of women and the changing structure of families, there is no doubt that child care is an important matter which the government must actively support, and we do provide substantial support—in the order of over \$600 million per annum.

Included in this, of course, is the \$200 million federal contribution to provincial/territorial governments in respect of their expenditures for child care services, under the Canada Assistance Plan.

Also included are the tax revenues foregone in respect of the Child Care Expense Deduction. Effective for the 1988 tax year, this deduction was increased in order to better reflect the actual costs of care faced by parents using receipted child care. For parents with preschool-aged children, the maximum deduction is now \$4,000 per child, up from \$2,000.

There is a \$100 million child care initiatives fund which is intended to support innovative approaches to child