

Supply

We do share the concerns. It is the policies and directions that tend to be a bit different.

• (1610)

Canadians generally really do enjoy one of the highest standards of living in the world. It is second only to the United States. One of this government's priorities is to maintain and improve the standard of living for Canadians and especially for the children in the future. Assuring a better future for Canadians and protecting our social safety net is a sound basis for a healthy and prosperous economy. For Canada to be truly a caring society, our wealth and our prosperity must be shared with those who are less fortunate and those who are in greatest need.

Let us first address the issue of growth and prosperity. There is no question that the policies of this government have contributed to economic growth in Canada since 1984. In 1984 the government embarked on a program of revitalizing the economy. As a result of our economic new policies, there have been new jobs created.

Canadians in need have been able to benefit from this growth. Since 1984 close to one million persons have escaped low income circumstances. This government has taken necessary steps to help those people most in need and to ensure that economic growth can continue.

Despite these important achievements, most Canadians are aware that we are facing a very serious large debt problem. We have been debating this today in the House. Last year more money was spent on interest payments to service our national debt than on all programs administered by the Department of National Health and Welfare. Considering all the programs in health and welfare put together, our national debt was a greater expense to Canadians.

That means that if you look through the department, we spend more than the cost of national programs servicing the debt. I know many people here in the Chamber have realized the amount of money which goes to health and welfare and assistance to Canadians. It is almost 60 per cent of our budget.

There are national health care programs, welfare programs, Old Age Security, family allowance and assistance through the transfers to the provinces and through to individuals. We can see that if servicing our debt has

cost us more than assisting Canadian through health and welfare, we have a lot of pressure on the revenues that we collect.

The survival of the programs that we have in place really depends upon the prosperity of this country. We have to take measures today to ensure for the next generation, which is our children. We must take these drastic steps, absolutely mandatory steps today to maintain a standard of living that Canadians expect tomorrow.

That has not prevented us from putting into place forward looking programs to ensure the future prosperity of all Canadians. Through tax reform we improved the simplicity, the fairness and equity of the income tax system by converting exemptions to credits and by lowering and reducing the number of income tax rates. Eight hundred and fifty thousand low income Canadians were taken off the tax rolls as a result of this policy change.

The government also 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 the recent years in respect of benefits available to families to see that the government is strongly in favour and believes in assisting the disadvantaged people and the disadvantaged families.

From the federal government's perspective, the concept of a family benefit related to the child goes back to 1918 when an amendment to the Income Tax War Act was first introduced. It was called the child tax exemption.

The family allowance program then came into effect in 1945, demonstrating that Canada accepted its obligation to assist in the upbringing of children. It was established as a vehicle whereby the federal government could supplement family income in order to alleviate some of the costs of caring for and raising children.

Several changes have been made to the family allowance since its inception to make the system of family benefits better targeted to families who are most in need. Currently the federal government delivers almost \$2.7 billion in family allowance benefits to over 3.5 million families on behalf of 6.5 million children.