

must stimulate the economy by spending the income they are being given.

Following a question raised by the hon. member for Broadview, the hon. member for Yorkton-Melville replied and I quote:

We are concerned about the discounters, the usurers, the rip-off artists who may go to a mother and say, "You have four children. That amounts to \$800 that you will be getting in terms of a tax credit. We will lend you the money, but we will charge you an excessively high interest rate." If that happens it nullifies—

And the minister interjected:

It is limited to 15 per cent now.

Imagine, Mr. Chairman, if these people want to follow the suggestions of the minister, they will have to use these means to be entitled to live decently in this country.

Going over, once again, the main principles of the bill now before the House, we note the following: Allowances are reduced from an average \$24.68 to \$20 a month. The government proposes to end the higher income tax exemptions for children of 16 and 17, and substitute instead a uniform exemption of \$460 for each child. Clause 3 of the bill proposes the withdrawal of the non-reimbursable tax credit of \$50 a year for each child. The bill institutes a reimbursable tax credit system of \$200 for each child in families whose income is \$18,000 or less, and of 5 per cent of the amount by which the family income for the year exceeds \$18,000 in the other cases.

As my hon. colleague for Roberval said a while ago: Why take away from one and give to the other? Why deprive of that right those who earn a salary of \$30,000; why not have a system entitling those whose income is higher to receive the same amount as everyone else? As the hon. member said, we should have a universal allowance, or in other words, all Canadians should get one regardless of their salary. In his income tax return, the person who earns \$30,000 a year will have to declare the family allowances and pay income tax accordingly. To my mind, the system suggested by the hon. member for Roberval would be far more fair to all mothers, regardless of their income. We have reached the point where we are asking the average mother not to have any more children, while we are telling the low-income mother: We will give you more money, so go ahead and have more children! We ask unbelievable things of the Canadian people; yet, motherhood is one of the vital rights of every mother.

Mr. Chairman, too quick an examination of this bill could lead one to say it is excellent. But on closer perusal, one will realize that it holds many a hidden problem. I know the minister wants to increase the tax credit. But did she think that many poor families depend on those family allowances to make both ends meet? When reducing family allowances, by \$5 a month, the government does not help families which must live from day to day. Why give the tax credits and take off \$5, as I said earlier? We should not forget that Canadians who

Family Allowances

live below poverty level do not pay taxes; so most of them do not file income tax returns. With the new system proposed by the minister, those families will have to file an income tax return to obtain this refundable tax credit.

I agree when the government wants to give more support to poor families but by requiring them to ask for their money, they force them to ask for their due, namely family allowances. Like my colleague the hon. member for Rimouski, I think this measure will unnecessarily make the bureaucracy heavier and make income tax returns more complex for Canadian citizens. I know that the Minister of National Health and Welfare wanted to help the poor by introducing this reform through the Minister of Finance. Unfortunately, I am afraid this reform increases the tax burden of middle income families. Poor families will be able to use the credit in full but middle income families will need an income of over \$18,000 or they will not be entitled to the whole deduction. The government has the bad tendency to overtax middle income families. Well, those families represent the greater part of families in Canada.

Mr. Chairman I think, Bill C-10 will be an additional burden for middle income families with two to four children. By reducing family allowances to \$20 a month the government immediately reduces the purchasing power of those families. Mr. Chairman, there might be a very interesting suggestion to be made at this point to the Minister of National Health and Welfare who I hope will forcefully ask cabinet and more particularly the Minister of National Revenue as in a question put on the order paper by the hon. member for Bellechasse in January, 1976, and I quote:

1. As of March 31, 1975, what was the amount of income tax arrears owed by national and multinational corporations?
2. Do those arrears carry interest and, if so, at what rate?
3. How far back to they date?

To our great surprise, Mr. Chairman—and I think that would be something to bring to the attention of the Minister of National Health and Welfare, rather than taking from one hand to give to the other the government should take its responsibilities immediately. We learned that for the years 1973 and before, 2,470 national and multinational corporations owed the Department of National Revenue \$80,662,661. In 1974, those companies were given a break. We have 9,269 companies owing a total of \$91,381,797. In 1975, we have the utterly ridiculous situation where 12,881 national and multinational corporations owed the Department of National Revenue an amount of \$50,998,490 for a grand total of \$223,042,948.

Mr. Chairman, it stops in 1975. I believe this government should in the first place, as suggested by the hon. member for Roberval, desist from picking the pockets of middle-income and poverty line taxpayers, and turn to those corporations owing enormous amounts of money. Questioned earlier I quoted the minister who said a person borrowing the amount of family allowance she would be getting four months later