

Family Allowances

Miss Bégin: Mr. Chairman, the member asks an important and appropriate question as to the situation of orphans regarding access to family allowances and the new child tax credit.

The new child tax credit will be given to individuals who have legal custody of an orphan, in a similar way as that person receives the family allowance right now. So I can assure hon. members that orphans who are in the legal custody of an adult will receive, through that adult, the new child tax credit.

With respect to those orphans under the care of an institution, we intend to send an amount of money equal to the family allowance, before reductions were made. This amount of money will be higher than the \$20 that all other children in Canada will receive. The institution will receive, in the name of the child, an amount fully indexed to the cost of living, as would normally be the case in the month of January of each year. Right now they receive \$25.68 per child. They will receive the fully indexed amount, which will probably be around \$28 as of the month of January. Therefore, we keep the universality of the system.

We could not find any other mechanism by which a tax credit, based on parental income, could be transmitted to institutions. If we consider the institution as a parent, this would create easy tax loopholes. If the institution sent a list of children in their care at a particular date in the year, they would be reimbursed as parents, and then a month later they could discharge these children. There would be no way to control the number and identity of children kept by institutions. We are therefore proposing arrangements by which a fully indexed family allowance, higher than that for other children in Canada, would be paid as of January to all children in institutions, including orphans.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I would like to thank the minister for the courtesy and accuracy of her answer, but I would like to make just one point. The regulations have not yet been altered under the Family Allowances Act. They still remain the same. Therefore, as I read the terms of this bill, on page four the proposed section 122.2 provides:

(2) In this section

(a) "eligible child" of an individual for a taxation year means a child who had not attained the age of 18 years before the end of the year and in respect of whom the individual was entitled to receive a family allowance under the Family Allowances Act, 1973—

My question is this. I am referring not to a hypothetical case, but an actual case where two orphans are living with their grandparents. Will they now be able to get the family allowances which they are not presently getting? And, secondly, will they get the refund if their income is under \$18,000?

Miss Bégin: Mr. Chairman, in the case of any child orphan in Canada today who is in the legal custody of a grandparent, that grandparent does receive the family allowance right now. There is no doubt on that point.

Mr. Hamilton (Qu'Appelle-Moose Mountain): Mr. Chairman, I can assume, therefore, that this report, which is dated for the year ended March 31, 1975, is in error and that the

changes have come about, and that the provision that the allowance is not paid for the child who has a taxable income is out. Has that regulation been changed?

Miss Bégin: Mr. Chairman, I am advised that if the child has a taxable income, which seems to be the case referred to by the hon. member, the child does not qualify for family allowance. Could I ask if we could have a look at the official documents and clarify the exact point made by the hon. member in a few minutes?

Mr. Hamilton (Qu'Appelle-Moose Mountain): I think that is the proper procedure, Mr. Chairman. I would like to show the minister the actual file on this case when she is not too busy. I can show her the replies we have had from her predecessor. The question that now comes to mind, one which is proper at this time, concerns that phrase "taxable income." Supposing the taxable income is over \$1,660 a year, the figure they were using two or three years ago, but still less than \$18,000. As a result of the taxable income clause, that child at the present time cannot get the family allowance because the taxable income is over \$1,660. Now, with this new legislation providing for a refund—negative income tax, if you like—after \$18,000, will this refund apply to an orphan who does receive family allowances now because of the clause under taxable income?

● (1532)

Miss Bégin: I would like to deal with that point at the same time as I rise to answer the previous point, Mr. Chairman.

Mrs. Appolloni: Mr. Chairman, I had hoped very much to be recognized by the Chair last evening when the debate at that time seemed, unfortunately, to be less even-tempered than it is this afternoon and several ideas were expressed in the speeches which disturbed me considerably. At the same time, I was anxious to accept the invitation of our Minister of National Health and Welfare for mothers to make their voices heard in this debate. As a mother, Mr. Chairman, I am more than willing to take advantage of that invitation and I hope I will do justice to the aspirations of the various mothers and their children who will benefit from this legislation.

Some hon. Members: Hear, hear!

Mrs. Appolloni: I would also hope that by putting forward the point of view of mothers I might assist in getting rid of the empty time-wasting rhetoric which we have heard up to now.

Before we go into the merits of the legislation I think it is important to discuss the philosophy behind the provision of family allowances. To this end I did a little research and found that on July 17, 1944 the philosophy concerning family allowances was expressed by the then finance minister, who said:

In order to ensure a greater measure of well-being to the children of the nation and to help gain for them a closer approach to equality of opportunity—

That, Mr. Chairman, was the philosophy that led to the adoption of the family allowance program in 1944. Compare the philosophy of that time with that enunciated yesterday