

Family Allowances

hands of those who needed income supplementation in order to create a healthy lifestyle for children in these groups and give them the same opportunity to develop physically, intellectually, and emotionally as children in more fortunate families.

● (1532)

The minister's solution which is before us now is to eliminate the \$50 tax credit and to replace it with a refundable \$200 child tax credit for families earning less than \$18,000 a year, if there is only one child. This is scaled progressively upwards for each child in a family. As the Minister of Finance (Mr. Chrétien) said when introducing this bill, this is the first federal refundable tax credit. I quote from the minister's speech as follows:

Many have criticized tax cuts that failed to help those in need. This government has progressively eliminated taxes on lower-income Canadians through measures such as tax indexing and the federal tax reduction. Now we are using the tax system in order to go further; to actually supplement the incomes of such families directly.

Last night there were two speeches from the Tory benches which were long on invective but short on reason. Near panic was expressed because this measure opens the door to negative income tax. I do not know where some hon. members opposite have been for the last few years, because this is not a new idea. In 1973 there was a federal-provincial social security review which involved provinces and citizens generally in an extensive review of the whole structure of our social security. These ideas were discussed then. This measure is a beginning which really does not terrify most people, particularly the poor who stand to gain from it.

Another absurdity we heard from the Tory benches last night, and which I could hardly believe, was that increasing the family allowance for low income families was a plot to force women to stay home instead of working. As evidence of this alleged plot we were treated to some 30-year old figures and statements. Apparently the Tories think that women are in the happy position that the promise of a \$200 child tax credit once a year will be a sufficient bribe for them to quit their jobs and go home. The figures I have show that most women, like most men, work because of economic need. About 43 per cent of Canada's working women, or about 1.5 million, are single, separated or divorced, and in some cases they support dependants. I suggest that they really do not have the luxury of choosing whether to work outside the home. They probably would need more than \$200 to make them choose to stay home.

Last night we also heard some reference from the Tory benches to the report of the Royal Commission on the Status of Women. It is very nice that the Tories have discovered it at last. It is only what, seven years old? Perhaps their reading of that report was not as careful as it might have been because they missed the whole emphasis of that report regarding women having a choice.

Women whose family situations are such that the best plan is for them to work outside the home should, according to the commission report, have access to affordable day care, but women who think that the best choice for them and their

[Miss Nicholson.]

families is to stay home with young children should also have access to supportive services from their communities, be they libraries, nursery schools, educational services for their children, or financial assistance such as family allowances. I think that this emphasis by the royal commission on choice is something which most of us support.

In a civilized society, whether we are parents or not, most of us think it quite appropriate that we use our taxes to contribute to medical care and education of the next generation, and also that we contribute to family allowances in a meaningful way. Children are everybody's business. This bill attempts to provide additional assistance to offset the heavy costs of child rearing. It is designed to assist parents whether they work or not.

The hon. member for Winnipeg North Centre (Mr. Knowles) raised a number of important questions which should be addressed at the committee stage. They have very practical implications. One of them had to do with whether people on provincial welfare who receive the tax credit will have their provincial assistance cut.

Mr. Knowles (Winnipeg North Centre): I hope not.

Miss Nicholson: I think the hon. member might have added to that parents who are assessed for day care, because we often find that parents who receive small raises in salary, small increases in benefits, or reductions in their rent for subsidized housing, promptly have their day care fees raised, so that the benefits are cancelled out. I think this is a very important concern. If this tax credit is to be useful and meaningful, it must be something from which parents can really benefit.

The Minister of National Health and Welfare (Miss Bégin) tells me she has written to all her provincial counterparts asking them to try to leave this tax credit in the hands of parents. She has met with five of them to pursue the discussion. I am sure that all hon. members on all sides of the House wish her well in this endeavour, and want to assist in any way they can.

The other matter raised by the hon. member for Winnipeg North Centre had to do with whether this credit, which I gather he supports in principle, might nevertheless press too hard on middle-income families. This is a sound question because increasingly middle-income earners carry the brunt of most of our taxation programs. According to the figures put before us in the charts yesterday, this measure does not seem to work that way. It does seem that families earning up to \$23,000 a year will not lose on this, but since the computation is fairly technical, I think it is good that we be alerted to this. The figures should probably be examined and reviewed very carefully to ensure that the assistance to lower income families does not come at the expense of the middle-income group.

Mr. Speaker, I will stop at this point and let someone else have the floor.