

*Income Tax Act*

or social net to which Canadians have become accustomed. We really have no alternative. We cannot carry on with the old ways of the previous Government of which the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey) was a Member. Clearly a different approach has been necessary.

It is fairly evident, by examining every available statistic and every available critique, that the handling of the economy by the Government to date has been reasonable. I think the results are pretty clear. We are walking a very precarious line. We would like to do more; there is no question about it. The Government would like nothing better than to open the coffers wide and come forth with all sorts of programs. However, they cost money, and if by doing so we cause a run on the dollar and shoot interest rates up three or four points, we have accomplished nothing.

With regard to the Hon. Member's second point, I must say I was somewhat confused by the question. I had understood, when he talked about replacing the PGRT, that in fact it was a tax burden. The industry was very vociferous in wanting it taken off. In fact, the Government has responded by eliminating it. It forms part of an over-all package designed to try to stimulate activity in the industry and to get away from the old policies which involved taxation before getting down to the bottom line. We must provide for an environment where Canadians can earn some money and be taxed after they make it rather than before.

**Mr. Ravis:** Mr. Speaker, I want to congratulate the Hon. Member for Swift Current—Maple Creek (Mr. Wilson); he made some interesting points. I assure the House that there are many people in my constituency of Saskatoon East who will certainly welcome receiving some advance payment in the form of the tax credit proposed in Bill C-11, particularly at this time of the year.

On behalf of the agriculturally based people in Saskatchewan, who are the backbone of our economy, does the Hon. Member see a parallel between western grain stabilization and the child tax credit; in other words, giving people assistance when they most require it?

**Mr. Wilson (Swift Current—Maple Creek):** Mr. Speaker, I thank the Hon. Member for Saskatoon East (Mr. Ravis) for his observation and question. I certainly think he has hit upon one of the very important thrusts in Bill C-11, that is, to provide timely assistance to those who need it.

The Western Grain Stabilization Act was amended last year in order to permit timely interim payments so that producers of the country could have the funds in time for spring seeding. Indeed, one of the purposes of Bill C-11 is to enable recipients of the child tax credit to receive a timely interim payment, a payment in the fall when the expenses of running a family are highest. There is a very significant parallel. It is all part of the over-all thrust of the Government to try to put funds into the hands of Canadians when they need it, not when some bureaucrat thinks they should have it.

**Mr. Ernie Epp (Thunder Bay—Nipigon):** Mr. Speaker, I appreciate the opportunity to join in the debate this afternoon on Bill C-11, which represents the first of the measures growing from last February's Budget that the Government has brought before us for consideration.

The measure has been debated by speakers from all three Parties in terms of its significance, with members of the Government arguing for its importance, and with members of the Opposition making more of it as a change in the administration of one particular part of the child benefit package provided by Canadian Parliaments in years past for families in Canada. My own feeling tends to be toward the latter one. I see it more in the nature of an administrative change than a change of great significance. However, who would deny the importance of putting money into the hands of families late in the year as winter sets in and before Christmas in order to allow them to make use of the money? Since this money will be going to the more needy families in Canada, those with incomes in the previous year under \$15,000, it will certainly be a significant advance to them.

The Standing Committee on National Health and Welfare heard many representations while it was considering child benefit provisions over the past 18 months. Certainly presentations were made about the timing and the administration of the child tax credit. There were those who pointed out the importance of this payment to families, a payment which is in the hands of mothers at whatever point they may receive it and which allows them to make purchases that are so important to poorer families. Those with very limited incomes see very small cheques from week to week. For them to have this lump sum, a sum which for 1986 will be \$454 per child, will certainly put into their hands a significant amount of money with which they can make the kinds of purchases households inevitably require at various times. One can think easily of the need for appliances, the cost of winter clothing, and all kinds of needs of children which the poor find very difficult to provide from the weekly incomes they may otherwise have. Obviously a payment of \$300 per child, to be received some time late in the calendar year and to be based upon the previous year's income to determine who receives it, will be very important. I am sure all of us join in recognizing the validity of making the change.

However, one aspect of it that concerns me is the possibility that part of this change in administration has been made because of the existence of tax discounting. Discounters were allowed over the past several years to develop their business by working out income tax returns, advancing part of the returns to the persons for whom they made the calculations, and then taking off consent forms which entitled them to receive the total returns after they were administered by Revenue Canada. The practice of tax discounting has led to some monstrous abuses. If this year's change in the administration of the child tax credit is something like a Christmas gift for 1986 from the Parliament of Canada, last year's gift in a sense might have been the passage on December 20 of Bill C-83 which amended