

Income Tax Act

then finally in July, we learned that there will be no White Paper, but a tax reform. On several occasions, the Minister of Finance has indicated that he would soon be making a statement, but this is October 15, the House has been sitting for several weeks, and we have heard nothing yet. It is important for families and for those who have investment projects that this House and all Canadians know as quickly as possible which basic exemptions the Minister of Finance (Mr. Wilson) plans on eliminating to reach his goal of lowering the tax rates. This is of special concern for families with children and I think that this Government and the Minister of Finance should clarify the situation quickly so that everyone will know where they stand.

Mr. Speaker, I shall now conclude by saying simply that we shall support this administrative Bill which adds nothing to the benefits already provided to families in the form of child tax credits, but only allows for pre-payment of an amount which would have been paid in any case. I invite the Minister to reflect on the points I have raised, namely the limit of \$15,000 instead of \$23,500, \$15,000 being the cutoff point for this administrative measure. I also ask him to reflect on why the amount is \$300 instead of \$454, which is the child tax credit families are entitled to receive, and I would also like him to review the matter of the interests. I believe that these are important matters and we shall have amendments to move on these points when we consider this Bill at the clause by clause stage.

• (1550)

[English]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am pleased to speak on Bill C-11, an Act to amend the Income Tax Act, which will provide \$300 as a prepayment of the child tax credit to eligible families. We are pleased to support this prepayment measure. However, I caution the Government that it is extremely important that Canadians, and particularly low-income Canadians, know that this is not a new measure. Due to the way in which things were presented earlier it would be easy for the Government to mislead poor people into thinking that this is an extra \$300. They would find it very easy to spend that money, particularly in this pre-Christmas period.

I am not convinced that this method of prepayment will solve the problem of the tax discounters, for which it was originally intended. I will return to this a little later. The advance will be paid in November and the remaining \$154 will be paid following the income tax submissions next spring.

In the time that I have I would like first to review the recent changes, not only in the child tax credit but also in the family benefit package. We have spent a lot of time on this in the last year. I will refer particularly to our goals and recommendations, as well as to the actual measures which were introduced by the Government. Since family benefits are a part of family policy generally in Canada, I would also like to look at the issue of a comprehensive family policy in Canada, which we do not have at this time but which is very much needed. The

approach of very minor changes in family benefits shows how inadequate the present Government is at considering, in a comprehensive way, the needs of families in Canada.

The position of my Party with regard to family benefits was put forward when we discussed this at some length in the Standing Committee on Health and Welfare, which was supposedly to reform family benefits. What we actually did was review the family benefits and allow the Government to make changes afterwards, many of which I believe were negative. We believe that the pillar of social policy in Canada for families is the universal, fully indexed family allowance. We have said over and over again that this should not be tampered with, as was done by the Conservative Government. The Conservative Government cut back on the indexation of family allowance last year by 3 per cent. I will refer to some of the long-term impacts this will have on family benefits generally as the years go by.

We believe that the fully indexed family allowance should be paid for by all taxpayers in the country, whether or not they have children of their own. After all, it is the next generation which will look after us in our old age and which will contribute to the leadership and future of Canada. Children belong to all of us, not only to their parents, and the cost of their upbringing is the responsibility of all of us, to some degree. A major plank in New Democratic Party social policy is that we must have a universal family allowance which should always increase, not decrease as has been the policy adopted by the Government.

• (1600)

The family allowance cheque goes to the main parenting person, usually the mother. This has been very important over the years, as we have often heard in earlier debates. Higher income families also receive family allowance, indeed even bank presidents if they have children. This is the way it should be if it is a universal program. However, we believe that a more progressive tax system than we have now should accompany that to tax those higher income people at a higher rate. We opposed a specific surtax on family allowance because we felt this would penalize families with children when, as I said earlier, all of us should be contributing toward a universal family allowance.

We have seen much evidence that the Conservatives would like to do away with universality altogether. They have received much pressure from their friends in the business community but, fortunately, having experienced the attitude of Canadians regarding the universal old age pension, they knew that Canadians would object to any more serious tampering with the family allowance. Rather than eliminating or cutting back on a universal program as a benefit, the Government began eroding the family allowance by reducing the indexation. It thought that it was being fairly clever politically by keeping 1 per cent indexation and reducing it by 3 per cent. However, let me point out again to my colleagues, as I have in the past, that research shows that in 20 years the real value of