

*Income Tax Act*

● (1600)

[English]

We are proposing a number of serious amendments which we believe would improve this Bill. One amendment is that, in order to be fair to all Canadians living below the poverty line, all families with an income below \$23,500 should be covered under this Bill. As Members of Parliament we know there are many families scraping to make ends meet on incomes which fall in that grey area between \$15,000 and \$23,500. That is one of our amendments and it is a good and supportable amendment.

The second amendment deals with the bureaucracy involved. The Government came to power suggesting that it was going to clean up a bureaucratic mess. Most of the families covered under this Bill, those with \$15,000 or less in annual income, will be eligible for the full tax credit of \$454. Why has the Government decided to send out one cheque for \$300 and then another cheque for \$154 when the appropriate papers are filled out? This doubles the bureaucratic paperwork. It would be far easier to say to these people, we know you need the money before Christmas, we know you do not want to be taken advantage of by tax discounters, so we will send you the full amount of \$454 before Christmas. Those families with incomes above the level of \$15,000 or \$23,500 can apply in the normal way. To do otherwise is to duplicate the bureaucratic effort.

As well, the provisions covering an overpayment are extremely complicated, as you know. If by accident the Government sends Mrs. Jane Doe a cheque for \$300 and she was only eligible for \$200, then after Christmas, when she has spent the money on presents or winter clothes or necessities for her children, or even food for the table, she is going to hear a knock on the door from the taxman who will say we sent you \$300 but it was an accident. We were only supposed to send you \$200. Could you please give us \$100 plus interest. All Hon. Members who work in their constituency offices will know what getting an unexpected bill for \$100 means to a family with an income of \$15,000 a year or less. What does it mean to a Member of Parliament to get a bill for \$100? I do not think it is going to send us to bankruptcy court. However, when a family trying to support a couple of kids, perhaps a single-parent family, gets a bill for \$100, money they have already spent, they are going to be put in a very difficult position.

We also suggest that no interest should be charged on overpayments, but we could simplify matters by simply sending out the \$454 in total. However, we are very concerned about the overpayments which will put poor families in a very difficult position, and we think that only the excess should be recovered and it should not be subject to interest.

As I mentioned before, we do support the motion, but we feel the \$300 payment is not sufficient, it should be \$454. The ceiling for eligibility should be raised from \$15,000 to \$23,500, to better reflect the reality of Canadians living in poverty.

However, I do not think we can agree with the Government's premise, as we have heard in speech after speech after speech in the House, that it is somehow knocking itself out to help poor and needy families. Frankly, this is a pittance, a crumb; a very shallow measure in the fight against poverty. That is particularly so when you consider the figures of the National Council on Welfare which outline the increasing tax burden on families, the working poor, and those families earning less than \$30,000 a year. All the tax measures introduced by the Conservative Party since 1984 show that families with two children earning only \$15,000 are going to be paying \$355 more in taxes. We have Santa Claus Mulroney and his friends dropping \$300 in the basket of the poor and needy in November of this year, but when the taxman cometh next April, that same family is going to have to pay \$355 more in taxes which leaves them with a net loss of \$55.

Our figures show that the percentage tax increase for families earning \$15,000 is the same as for families with two children earning \$100,000. The Government talks about sharing the tax burden fairly, so I ask is that fair? I think all Canadians would agree that when it comes time to increase taxes, those increases should be paid by those who can most afford to pay, not those who can least afford to pay.

One of the things which has made us unique as a society is that all political parties have the philosophy of helping those who are least able to help themselves. Unfortunately, the reality of Conservative policy is reflected, on the one hand, in the giving of the \$300 child tax credit, which is laudable and should be appreciated, but on the other hand taking \$355 away this year alone in tax increases. As well, that increase is cumulative and over the next four years that same family will experience a tax increase involving hundreds, if not thousands, of dollars.

We should also be aware of one other issue. I am not sure how much time I have left to address that, in that we have had such a long break—I am losing my voice, heaven forbid. In any case, I think what prompted the Government to introduce this legislation in the first place was our desire to prevent the gouging which often occurs when people with very modest incomes need money for the purchase of winter clothes or major appliances and they end up going to a tax discounter. As we know, that service will cost them 15 per cent of the first \$300 and 5 per cent on anything over \$300. I think the facts will bear out that most people who use tax discounters are classified as either working poor or people of very modest means. In 1985 half a million Canadians who sold their child tax credits to tax discounters had incomes of less than \$8,000. It is quite clear that the tax discount business has been directed toward those people who are least likely to be in a position to come up with ready cash flow. According to government estimators, discounters received over \$20 million in child tax credits in 1984 and they kept more than \$41 million of the 1984 tax refunds in general.