

Private Members' Business

These figures show us there is a large percentage of women who have made their choice to stay at home with their children. Despite this fact, they are not entitled to the same tax treatment as those who use day care.

As a direct result, our courts are filled with cases of individuals and families alike who feel that the Canadian income tax system discriminates against them. Calgarians, Jim and Laurie Boland, for example, were told in Federal Court that a parent that chooses to be at home with a child is not entitled to the same privileges as those who pay for child care.

The judge ruled that the Income Tax Act admittedly denies the Bolands equal benefit under the law but because stay at home parents are not "a discrete and insular minority" they are not protected by the charter of rights and freedoms.

This is just one example of people fighting a system that does not reflect the realities of society. Currently provisions in the Income Tax Act make the child care expense deduction only to families who pay institutions to look after their children. The deduction can only be claimed by the lower income spouse of a married couple, which makes it useless when one parent stays home to raise the children.

In other words, if you put your child in receipted day care, the government will reward you, but if you opt for a different arrangement like most Canadians do, you are on your own. It is just a matter of time before the courts overrule this decision. Maybe it is time for the legislatures in Canada to set the agenda as opposed to responding to court decisions.

You only have to look at how the Thibaudeau decision on child support payments sent the Minister of Justice scrambling. The fact is that this legal discrimination must and should stop. As the dynamics of the family continue to change, parents should be free to choose the method of child care that best suits their situation, as opposed to having government reward one choice over another. It is the choice that I am trying to emphasize today. Flexibility and freedom of choice should be the key elements of our approach to child care.

It is obvious that people cannot afford non-subsidized day care and have limited choices other than to stand in line and wait for a spot in a subsidized program. Why not give them the financial means and the options to choose other forms of child care? Provide all families with the \$5,000 tax deduction, leave the money in their hands and let them choose whether to stay at home; unregulated day care, nannies, relatives or friends are the best options for them.

Interest groups all talk about the need for more flexible child care. Here we have true flexibility. Leave more money at the source and stop financially encouraging families to choose outside receipted child care.

'Let us look at this from a different perspective, a different angle. Currently there are 360,000 child care spaces in Canada, 150,000 of which are subsidized for low income families. Is the answer more spaces as the Liberal government thinks, or is it more choices as I think?

The purpose of my bill is to amend the Income Tax Act to allow the deduction of a fixed amount of \$5,000 or \$3,000 as child care expenses, depending on the age of the child, regardless of the income of the parent and the amount of child care expenses actually incurred. Quite simply, the bill provides for a straightforward income tax deduction per child, up to age 14, to any taxpaying parent regardless of the method of child care chosen.

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Therefore, Bill C-247 is based on three fundamental principles: funding the family, not the institution; giving freedom of choice to parents for their preferred method of child care; addressing the shortcomings of our current system and the subsequent increases in the financial burden on Canadian families.

The fact is that Canadian families have been taxed to the hilt. With Bill C-247 parents would be free to choose how to best spend their money. If they choose to send the kids to day care, so be it. If they choose to have one parent stay at home to raise the children, let us give them the freedom to make that decision. My main concern is to treat everyone equally. Leave money in the hands of the people who earn it and need it, and let them make their own choices on how to run their lives.

The vast majority of federal funding for children's programs in Canada is provided in the following ways. There are actually six different mechanisms by which people get assistance.

The child tax benefit went into effect in January 1993, replacing the former family allowance program as well as the refundable and non-refundable child tax credit. This program delivered benefits of \$5.2 billion between July 1993 and June 1994.

The Canada assistance plan, which comes under the human resources department, shares in the cost with the provinces and territories of providing social assistance and welfare services. This program delivered benefits totalling \$2.8 billion in the year 1993-94.

The third mechanism is the child care expense deduction. It is a tax measure intended to assist parents with the cost of receipted child care. This program cost Revenue Canada just over \$330 million in fiscal 1993-94.

The fourth mechanism is the equivalent to married tax credit, which is a non-refundable tax credit available to single parents to help ease the burden of raising children alone. Only one child can be claimed. This program cost the federal government just over \$565 million in fiscal 1993-94.