

Family Allowances

credit; \$45 million in the increase in limit for capital loss; \$10 million in the inclusion of capital gains on Canadian securities; \$100 million in other corporate and investor tax concessions; and \$165 million in loss in provincial revenues related to the above, for a total, as I have indicated, of \$1,245 million.

Therefore we do not accept the arguments of the government as expressed by the Minister of National Health and Welfare that it was necessary or useful to reduce the monthly payments per child from the \$26 now paid, or from the \$28 which would have been paid as of December 1 as a result of the increase in the cost of living, to the \$20 which is proposed in this bill. We do not believe it is necessary. We think that the amount should have remained as at present, and that we should give, as well, \$200 per child in tax credit to people in the lower income brackets. However, we are not the government and we have not drafted the legislation. We propose to vote for this bill despite what we consider to be the very grave defects in it.

Having said that, I conclude as I began, by saying that we will vote for the bill but we will do so with grave reservations. We will do so in spite of the speeches made by members of the government side—including the Minister of National Health and Welfare—rather than because of the speeches which they made.

Mr. Deputy Speaker: Order, please. Is the House ready for the question?

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Chairman: Order, please. House in committee of the whole on Bill C-10, to amend the Income Tax Act. Shall clause 1 carry?

On clause 1.

[*Translation*]

Mr. Caouette (Villeneuve): Mr. Chairman, having thoroughly considered the bill now before the House, I think it is fair and reasonable that hon. members should try to understand its contents more deeply. I think that the time allowed to us in committee of the whole is the best time to put questions to the minister and give him the chance to make us understand the amendments brought to the bill.

● (1642)

Hon. members will have the opportunity, as I will in a moment, to propose an amendment which, hopefully, will be carried by the House. Mr. Chairman, first of all I would like to thank you for recognizing me. Several aspects of this bill are very positive, while others are very negative. I will deal, Mr.

[Mr. Orlikow.]

Chairman with a very negative aspect. I had the honour of congratulating the minister during her stopover in my riding last summer, about the \$200 tax credit. According to the minister, it will be granted not to those living on the poverty line but rather to the middle income families of this country. Despite the government's desire to lighten the tax burden of the disadvantaged, the practical application of the legislation poses problems and results in serious administrative complexities.

Mr. Chairman, to quote an expression used by my colleague, the hon. member for Bellechasse during a debate in the last session, I would say that we have in front of us a government of fence riders. Why fence riders? At a certain moment, the government juggles with a bill which it says is not yet good enough, then it amends the bill as it probably will amend, in the coming weeks, the bill amending the Unemployment Insurance Act which was passed about two years ago, if I am not mistaken. Instead of wasting the time and energy of the House, why does the government not take the time to consider thoroughly the needs of Canadians?

Mr. Chairman, I would like to point out a statement of the Minister of National Health and Welfare for which, as I said earlier, I congratulated her. As the minister explained it, the new measures are judicious and will have good effects from an economic point of view. They will enable the children of poor families to contribute, to a certain extent, in the prosperity and welfare of the country. Let there be no misunderstanding. These payments are for the people who are in urgent need of help. They will increase the purchasing power of millions of Canadians. These people will not save that money, they will spend it and, by so doing, they will stimulate the economy.

Mr. Chairman, as my colleague, the hon. member for Roberval pointed out earlier, the minister says, on the one hand, that she wants to help the economy as well as low and average income groups with this bill, and on the other hand, she reduces the rate of family allowance because, as she says, there will be a tax refund. We are told, on the one hand, that it is necessary to give the economy a new impetus while allowing those people to meet their needs and, on the other hand, family allowances are being reduced.

Therefore, I am tempted to put a question to the minister. If the economy needs a new impetus, why decrease allowances that are payable and, by the same token, increase the tax credit by \$200? Now, let us keep in mind that, according to the minister, the refund is immediate, while people will have, as pointed out by the hon. member for Roberval, to wait until the end of the year. But some say he was wrong; so let us take their word for it: he is wrong and payments will be made every four months. Thus, those people will have to wait four months before receiving their share which will be approximately \$270 for a family of four children after a period of four months. On the other hand, those poor families—as the minister said—