

Family Allowances

the lower-income families with children. Since Nova Scotia is a low-income province, relative to the Canadian average, it stands to benefit under the new system.

I am advised that of the total of about 130,000 families in Nova Scotia affected by the proposed changes, roughly 105,000 will be net gainers. The over-all net benefit to Nova Scotia, that is, the increase in benefits over the current system, will be \$8 million in 1979, \$6 million of which will accrue to families falling below the Statistics Canada poverty line of \$9,700 for a family of four members.

The impact of the proposed system on a two-parent family with two children under 16 and living in Nova Scotia can be stated as follows. The definition of net family income is income after deductions for contributions to Canada Pension Plan, unemployment insurance, retirement savings plan, home ownership plans, union dues, tuition fees, child care expenses and other expenses. However, net income is calculated before subtracting personal exemptions.

Going back, a family with an income of \$5,000 in Nova Scotia under the 1978 benefits, the existing system, would receive \$616. Under the 1979 benefits, the proposed system in this bill, they would receive \$880, a positive change of \$264.

A family in Nova Scotia with an income of \$15,000 would receive under the 1978 benefits, the existing system, \$813. The 1979 benefits under the proposed system will be \$1,047, a positive change of \$234. A family with an income of \$20,000 would, under the 1978 benefits, the existing system, receive \$832. Under the proposed system, the 1979 benefits would be \$984, a positive change of \$152.

When you reach the \$25,000 family income, the 1978 benefits under the existing system would be \$838. Under the 1979 benefits proposed in this bill, they would receive \$771, a negative change of \$67. I could go on and quote all the changes. However, I am just trying to show what would happen with a family of two parents and two children.

As the foregoing indicates, the benefits under the restructured system vary inversely with family income, with higher income families being net losers. The Department of National Health and Welfare estimates that families with net incomes in excess of \$25,000 a year will receive \$165 million less in 1979 than they would under the present system. Families with less than \$25,000 will gain about \$130 million. In terms of the number of families involved, there are about 1.3 million families with incomes in excess of \$25,000, and 2.3 million families with incomes below this amount.

How will it work? The first benefits under this new child tax credit program will be paid during the early months of 1979. I do not question the administrative end of it, but I look forward to the Income Tax Department doing its share of the work. It will take effect on the 1978 taxation year and it will, as I have already stated, be based on net family income.

An application or a one-page claim form will be included with each January family allowance cheque to be completed by the parent who normally receives the family allowance. Normally this will be the mother.

[Miss Campbell.]

I now wish to return to the two areas of my concern. One has to do with the parent who normally receives the family allowance cheque. I am not sure whether it states in the Family Allowance Act that the cheque should be sent to the mother or the father, or whether the father has a right to the cheque if he designates he is the one to receive it. In other words, there may be a change with many families as to who would receive the cheque on a monthly basis. In most cases, it is the husband who is working. He may want to take advantage of the set-off between what is owed under this child tax credit and the amount of his taxes.

How will this affect the receipt of the monthly cheque by the mother if the father is in a position to receive the cheque? I can see a situation where the father did not receive the benefit last year but, under the new plan, will exert a certain amount of pressure within the family relationship in order to receive it in the future.

The other area of concern is the way this is to be paid out. It seems it will need to be done in instalments. Due to the circumstances this year, I feel that a lump sum payment could be made. However, I would like to know whether the Department of National Health and Welfare, in conjunction with the Ministry of Finance, is considering making quarterly instalments on family allowance cheques so that there will be more benefit over the year. Also, if the cheque were received next June, it would be at a time when most people on the Atlantic coast are working. Has the matter of instalments under the family allowance scheme been studied?

These are my two areas of concern. First, can the father be designated to receive the family allowance cheque instead of the mother to whom it has normally been sent? Now that it is being tied into income tax, can this be changed? Will there not be a great revolution with the fathers asking for the cheques?

The other concern is with regard to the lump sum payment or whether this can be done in instalments. I realize that for 1979, because of the implementation of the program for January, it has to be done this way. I would like to know whether it can be done another way in the future.

Miss Bégin: Mr. Chairman, I have taken note and agree with what the hon. member for South Western Nova said regarding the establishment of a guaranteed annual income as an objective of social policy in Canada as well as being a completely restructured system with tax benefits.

● (1642)

The thrust of her presentation this afternoon, it seems to me, had to do with the effect on Nova Scotia families, and more particularly on families which are now good middle-class families with the money which goes with it but may be of a more recent character. The fact remains that this bill wants to redistribute family allowances within families to those most in need. To Nova Scotia it does bring benefits, and taking into account the slight monthly reduction in family allowances it would bring to the province a net additional \$8 million in