

Family Allowances

responsibility for SIN, she is interested in the operation of this bill which she has taken upon herself to guide through the House as one of the co-sponsors. So I hope the minister can answer some of the questions that are raised here and can let us know how the government intends to operate this scheme in so far as status Indians and the Inuit are concerned.

The organization makes a technical point about children born in November who have reached the age of 18 and are not eligible for the tax rebate, while those born in December who have reached 18 reap a double windfall by qualifying for the tax credit and a higher exemption. Here I wonder what the minister's attitude would be toward the suggestion of the organization that a more equitable solution would be to allow parents of all 18-year olds to qualify for a portion of the rebate, or one-twelfth a month.

Finally, one of the most important questions they raise, as they put it, concerns lack of information regarding this program. The organization states in its press release:

We feel an all out program must be instituted to inform family allowance recipients of their entitlement and what they have to do to get it. We have also recommended to the Minister of National Health and Welfare that the outside of family allowance envelopes containing the statement of income form be marked with a special warning not to throw it away. We also recommend post offices keep a supply of extra forms together with income tax forms usually available there.

The point the organization is making is that there is a great number of people who will possibly be entitled to benefit from this program who should have more information regarding the availability of those benefits.

The minister has explained that the whole process will go through some kind of giant sophisticated computer in the department so that if the computer works properly, so will the system. But the initial concern, of course, is that those people who might be entitled to the benefits, who qualify for them—they are the most vulnerable in our society—might not be aware of this program because they do not follow the proceedings in parliament on a daily basis, do not read *Hansard* and do not necessarily read the newspapers. I would be interested to know from the minister what plans the department has to inform those people of the availability of benefits.

Those are the concerns expressed by the National Anti-Poverty Organization—

Mr. McGrath: And the official opposition.

Mr. Hnatyshyn: I do not even have to add that they are also the concerns of the official opposition, because it is known that these concerns, based on compassion, have been raised very articulately by the hon. member for St. John's East and the hon. member for Kingston and the Islands, who are concerned about giving the best effect to the plan, which the minister is now introducing in the House.

I think these are legitimate questions which require some explanations, some elucidation and enlightenment from the minister so that we can be sure that the plan as presented by the government at this time will be as effective as possible.

Miss Bégin: Mr. Chairman, I think I have enough information with me right now to enable me to answer all the points raised by the hon. member for Saskatoon-Biggar. Of course I am aware of the press release put out by NAPO. My last meeting with them was held on October 16 during which we discussed the proposed bill at length. Whenever I have had a chance to be in another Canadian city in the last two months, I have made a point of meeting the local associations which are members of NAPO and, which represent those whom we want to help on a priority basis. Therefore, I can repeat here what I said to them.

The question of the annual payment which might eventually affect people adversely if provincial governments do not pass on the new allowance in its entirety to families, is one on which I have spoken often in the House and, I have stated what we have done. I want to stress in particular that older people receiving family allowances for their children, or for children whom they have in legal custody, will not be penalized under GAIN. I have said that often. The hon. member was probably absent from the House. The province of Ontario as well as the province of British Columbia have confirmed that. Therefore, the new child tax credit will not be considered as income. I can assure the hon. member that that applies also to veterans' programs and other programs. There is no problem on that front. I am still awaiting a reply from my provincial colleagues with a formal commitment. I have received it informally more than once, but I want a formal commitment that they will pass it on and that provincial governments will not recover that money either directly or indirectly.

The second point which the organization made, and which is particularly valid in the western part of the country, is the social problem of tax discounters. I have spoken in the House on the matter of tax discounting, but this will permit me to make my views public once more. I will do everything I can, in terms of making it known, to discourage mothers from cashing in their anticipated credit ahead of time. Under the new bill passed by the House a few months ago, no tax discounter can take more than 15 per cent of the child tax credit, including interest and other charges. However, some mothers might decide they want 85 per cent of the credit ahead of time. I will discourage mothers from doing so, and I hope to have the help of all hon. members in that. The abuses we have witnessed in the past, particularly in British Columbia, will I hope, be under control when this provision on child tax credit is in effect.

The third point referring to the need for information is a point which I would like to reserve for the end.

The fourth point deals with the treatment of foster children, in other words, children placed in foster homes, who do not receive family allowances. Let me give hon. members a legal answer. Those children receive a special allowance, similarly to children placed in institutions. That special allowance will be continued and is not diminished. Not only will it be \$25.68, but with the indexation it will amount to \$28.80 as of January. I think this answers the fourth point raised by the hon. member.