

Income Tax Act

but it has certainly taken our minds off the main issue for discussion today, the issue of the child tax credit. I would like to take a few moments to address some of the Government's arguments in trying to move this Bill quickly through the House.

We have heard a number of government speakers on the issue of the child tax credit say that it is important for us to move very quickly because we are getting money into the hands of those people who need it most, those with an income of \$15,000 a year or less. On the surface we in the Opposition definitely agree with that position. We agree that any move that can appease the level of poverty facing people and those families living on and earning \$15,000 a year or less should be taken. But in the process I do not think we should be hoodwinked. I do not think we should be bamboozled by a Government which on the one hand giveth and on the other hand taketh away. It is giving in the form of a refundable tax credit, not the full amount of the child tax credit but merely a portion thereof. We will be introducing some amendments that will address certain inequities.

While the Government is saying to the poor people: "We are going to give you an immediate child tax credit rebate of \$300 before you actually have to file your income tax return", it is wreaking havoc in the pocket-books of poor and middle-income Canadians because of its tax grabs. According to the Canadian Council of Welfare, for the first time this year we will see people in the \$15,000 income group paying taxes. That tax burden will increase over the next four years as we see the effect of the Wilson Budget on low-income Canadians in particular. Only six years ago, in 1980, a two-earner couple with two children living at the poverty line were paying just under \$1,000 in tax. That was already too much, but they were paying \$1,000. From 1984, that tax load, which was under \$1,000 in 1980, was increased to reach \$1,600 in 1986. By the year 1990 a two-earner family living at the poverty line will be paying almost \$2,000 in tax, amounting to an increase in tax of over 70 per cent in only one decade.

I do not think the Government can take much solace from the fact that today it is asking all Members of Parliament to pass the child tax credit bill which will put \$300 quickly into the hands of families, which we support, when at the same time the same Government which is preaching equality, self-sufficiency and talking about getting people out of poverty will be taxing people at the poverty level almost \$2,000 by the year 1990. The situation is equally dismal for the family earning about \$20,000.

Those of us who have constituents in our ridings will know that for a family in 1986-87, \$20,000 in annual family income is not a large amount. Those families are struggling to make ends meet. The family living at the poverty line will pay over 70 per cent more taxes in 1990 than in 1980. The family that earned \$20,000 in 1980 will be paying 40 per cent more taxes over the next decade and the family that earned \$30,000 will be paying 25 per cent more in income tax. The moot point and the point this Government has failed to address is that a family

earning \$50,000 will be paying only 17 per cent more in taxes. A family, however, that earns \$80,000, which can best be described as living in the lap of luxury, will pay only 7 per cent more in taxes.

What has gone wrong with the system which says to a family living at the poverty level that its tax burden will go up by 70 per cent while it tells a family earning \$80,000 that its tax burden will rise by only 7 per cent? Is this the equity which the Minister of Finance (Mr. Wilson) was talking about when he said he wanted to re-establish tax reform? Is this the kind of equity that the Government has been talking about in Throne Speeches in which it says the child tax credit is a great progressive measure and that this Bill should be passed? Of course this Bill should be passed, Mr. Speaker. This Bill is a good piece of legislation, but it does not go far enough. There are a number of shortcomings and I would like to take a few moments to outline those shortcomings.

[Translation]

About the \$15,000 level, Mr. Speaker, in 1986, a family with an income of \$15,000 and living in Toronto or Montreal is already \$5,000 or \$6,000 below the poverty line. I am thinking of a Liberal amendment that would raise the cutoff point for the child tax credit to \$22,000 or \$23,000. This would be acceptable, because if, for instance, the cutoff point is raised to \$23,000 as we in the Liberal Party are suggesting, at least we will be taking in everyone living below the poverty line in Canada. If the \$15,000 is maintained, there are still thousands of single-parent families, and thousands of families with two parents who both work, that cannot live on an income of \$15,000 to \$23,000. Mr. Speaker, that is why one of our amendments proposes to raise the cutoff point for the child tax credit from \$15,000 to \$23,000.

Another problem, Mr. Speaker, and Canadians who receive the child tax credit know, they know that if they have no other income, the tax credit this year will be about \$454. This means that Canadians without sufficient income from other sources will receive a cheque for \$454 for each child.

In the Bill, the Government proposes to give an advance payment of \$300 to each family, per child, which leaves \$154 to be given when income tax returns are filed.

Mr. Speaker, instead of leaving it up to the Department of National Revenue to pay the difference, the \$154 to these families, in other words, instead of bringing in legislation to provide for advance payment of \$300 this year, why not give the whole \$454, and say: You are entitled to advance payment of the full child tax credit, and should changes be required, they can be made subsequently.

Mr. Speaker, what happens with this kind of Bill is that it adds to the bureaucratic process which has to produce two cheques instead of one, while single-parent families and poor families have to apply for the \$154 that should have been included with the first cheque.