

Family Allowances Act, 1973

● (1250)

[English]

We speak about the necessity to protect poor families and use every possible Government resource to do that, but we always forget that one of the injustices in the system, if you go beyond Family Allowances, is the deductions for dependants under the Income Tax Act. That deduction helps only people who are sufficiently well off to pay income tax. That is one of the reasons the child tax credit was introduced a few years ago, and by a Liberal Government, not by a Conservative Government, or an NDP Government either because they have never seen the light of power. That is why it was introduced. Rich families received it automatically. It is silent, not seen anywhere except as a so-called tax expenditure through a deduction from taxable income. Poor families do not receive that because they do not pay as much income tax; some of them do not pay any at all.

So, Mr. Speaker, when we talk, about Family Allowances and universality, I would ask all Members here, as well as the public and the Government, before they search for savings—as necessary as they are in this very difficult time—instead of touching the universality of the Family Allowances program—I should say it is not only a welfare program in the sense of helping people, Mr. Speaker. I have heard the Minister say it is a social contract. I would go even further; it is a political contract because for a lot of mothers it may be the only piece of paper, the only contact that a woman has with the Government of Canada. Every month she receives an envelope bearing a Canadian flag, with a cheque which bears a Canadian flag and which mentions the Government of Canada. Before you touch that, one has to consider the nature of the social and political contract of the Family Allowances program.

I would rather look to the income tax system to save money, because those deductions help rich families more than poor families. If you eliminate the deductions you are increasing the federal tax base and you are not only saving money for the federal Treasury, but you are saving money for all the Provinces, with the exception of Quebec, who use the federal tax base to collect their own provincial income tax. The income tax of those nine Provinces is a percentage of the basic federal tax. So the federal Government will save money, but the Provinces will probably save, generally speaking, about 30 per cent to 35 per cent. That means an automatic saving to the provincial treasuries through a tax measure of the federal Parliament.

One has to recognize the federal-provincial dimension and I suppose it would not be unfair to suggest that, if we look at that, it be within the ambit of an agreement of some kind with the Provinces whereby the money they would save would go to help poor families, either by way of housing, through direct grants or in some other way. Perhaps there should be a provincial Child Tax Credit or some kind of payment to poor families, because I would not want the Parliament of Canada to—

Mr. Benjamin: Shift the responsibility.

Mr. Breau: No, the Hon. Member should listen to me carefully. If we pass a measure here which has the effect of saving the federal Government money, so it can give more to the poor, it will also have the effect of saving the Provinces an additional 30 per cent or 35 per cent, because they use the federal tax base to calculate their own income tax. I think we should do that within the ambit of an agreement whereby the money the Provinces save would go to poor families in some way, as the federal savings would. If that is not part of the agreement, I am not sure that I would want to pass a measure here without any political strings attached. I am not scandalized by attaching political strings as long as they are fair, Liberal, just like the one I am suggesting now.

Some Hon. Members: Oh, oh!

Mr. Breau: So I would ask Members of Parliament to think about that.

May I call it one o'clock, Mr. Speaker, before I conclude?

[Translation]

The Acting Speaker (Mr. Corbin): Order, please. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[English]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am quite happy to have this opportunity to speak in the debate on Bill C-132, an Act to amend the Family Allowance Act, 1973.

Over the last few days we have heard a great deal of rhetoric and debate from the Government side about how wonderful Bill C-132 is. Members opposite have stood in their places and said how proud they are to speak in favour of Bill C-132, a Bill which cuts the amount of money which goes to mothers or, more precisely, goes to Canadian children.

I do not want to participate in that kind of debate. I want to present, as objectively and as clearly as possible, what the Bill attempts to do. If Hon. Members opposite feel that my allegations are incorrect, then, when they speak later, I hope they will identify where my arguments have some flaw or where they may be off the mark.

I think it can legitimately be said that over the next few years Bill C-132 will take money out of the pockets of mothers to spend on their children. I think every Member of the House would agree that the children of Canada are unquestionably our greatest resource; human resources in this country are one of the critical sectors where Canada has an advantage. By