

Expenses Deduction, for example, recognize the additional expenses of childrearing by reducing the taxable incomes of families with children.

- 3) Some families need financial assistance more than others. Since money is always limited, it has often been targeted to those in greatest financial need. Since 1978, a federal Child Tax Credit has been used to supplement the Family Allowance for poorer families. Family benefits, therefore, have been used to help relieve poverty.

The present federal child benefits were designed at different times by governments with varying agendas. If we analyze the goals and delivery mechanisms of these benefits, we can see that some are directed to poorer families, others to wealthier families, and still others to families with special needs. The goals of any new system of child benefits would need to be consistent and explicit. For example, a benefit system could be designed to focus on administrative efficiency and cost-effectiveness, if it were approached from the government's point of view. On the other hand, benefits could be designed to suit mainly the needs of families of different sizes and income levels, with less concern about efficiency of administration. A benefit system could also be designed primarily to consider the needs of children regardless of family situation. Any perspective adopted may lead to a different conclusion about which type of benefit and administration is best. In reality, a family benefit system will have to consider all of these issues to be effective. Yet for analytical purposes, we can see that any benefit system could theoretically be slanted more in one direction than another.

In this report, we will discuss existing child benefits and their impact on children, families and governments and then propose alternatives to the present system. Financial, demographic and political constraints on governments considering changes to social benefits will be outlined. Finally, a new child benefit will be proposed - The Guaranteed Family Supplement (GFS) - which is designed to replace some of the existing benefits. The GFS would be aimed at families with dependent children living in poverty or with below-average incomes.

The fact that 20% of Canadian children live in poverty distressed Committee members. Being raised in poverty is an indignity in itself, but it also breeds a complex of educational difficulties, chronic unemployment and future psychological problems. By restructuring family benefits, the federal government could help poor families extend more opportunities to their children and at the same time could provide parents with real choices. Although we accept the fact that all children are a precious resource to any nation, we are realistic enough to acknowledge that some children and families need more assistance than others. Because several issues relating to children fall under provincial jurisdiction, while others (such as child benefits) are under federal jurisdiction, the task of improving social policy in this area is complicated. These jurisdictional problems should not, however, deter the federal government from taking a leadership role.