

*Income Tax Act*

● (1530)

I am delighted to rise in the House this afternoon to support this legislation and in so doing help my constituents.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa—Vanier):** Mr. Speaker, I will be brief. I want to make a few comments and although it may seem funny to the Minister of Employment and Immigration (Mr. Bouchard) this is in fact a measure we have supported.

I would like first to commend the Minister who sponsored the bill. This is his first legislation, and I think he did a very good job.

Mr. Speaker, this is a housekeeping bill which in fact does not change things much. It will be remembered that the child tax credit was established in this House in 1978, when the then liberal Government was looking for a way to help low-income families with what we call in French "un crédit d'impôt-enfant."

The literal English translation "*Tax Credit*" raises some difficulty. It is not necessary a credit for tax paid, but a tax credit paid in respect of children. Without getting involved in semantics, I think we must be clear that any parent whose income is below \$23,500 is entitled to the maximum child tax credit, which for this year is \$454.

What the Government is doing with Bill C-11 is to propose that we prepay the benefits recipients have a right to receive but for which they had to wait until April next after the filing of their income tax returns. This is therefore a legislation which we support, because it meets in part the needs of these families who, as winter is approaching, will need that money to feed and clothe their children, and see that those attending school have warm clothes to cope with our long winter.

As the families will receive these \$454 through our income tax system, Mr. Speaker, each and everyone of them should make sure to file its income tax return before April 30, 1987. As we know, this amount decreases according to the family income. If their income does not exceed \$23,500 families are entitled to the full \$454 child tax credit, and a decreasing scale is provided for incomes exceeding that \$23,500 ceiling.

Mr. Speaker, at the Committee stage, we would have liked the Government to have accepted to generously provide the full \$454 child tax credit. It has refused to do so, and we are very disappointed, because it has decided arbitrarily on this amount of \$300, which is nearly two-thirds of the amount payable, and set the eligible amount at \$15,000, which in our opinion is a somewhat discriminatory and perhaps very arbitrary approach.

We wanted the \$300 to be increased to \$454. The Minister told us: Don't worry, I am listening and there is a provision in the Bill. The amount will increase over the years.

As to the \$15,000, that is a different story. This amount, that triggers prepayment of the child tax credit, will not change. The Bill does not provide for any flexibility. Section 164.1 provides that the total income of an individual, based on

the various paragraphs, will not exceed \$15,000. There will be no discretion and no regulation: that \$15,000 ceiling will not change.

In view of inflation and the ever growing needs of families with children this creates a burden which is far too heavy for them; I wish the Government had shown more flexibility and made it possible to increase the \$15,000 amount which triggers the pre-payment program.

Mr. Speaker, one of the reasons why we supported this total payment of \$454 was to put an end to the tax discounting practice. Nearly 500,000 Canadians—that is a lot of people—have sold their cheques to these tax discounters who, largely because of a legislation passed by this House, cannot charge them more than 15 per cent; just the same, it is 15 per cent of their tax credit cheque. This will clearly not apply to the prepayment of \$300, but there will still be \$154 outstanding. I can tell you that in my own riding, there are poor families with many children who will use that \$154, multiplied by the number of children, and who will have to go to these tax discounters to get the money they will need in February, March or April of next year.

That is why I would have thought that the Government would have listened a little more carefully and would have been more sensitive to our request, even if it does not want to abolish completely the present situation, the business which goes on between tax discounters and some individuals, even if it does not want to abolish that practise, like the Americans did, and prohibit completely the sale of these cheques to tax discounters because, as we know, they often are an important source of family income.

I would like to remind the House, Mr. Speaker, that discounting is not allowed on Family Allowance and Old Age Security payments. I would have liked to have seen the child tax credit also included, to ensure that the money provided by Canadian taxpayers to poor people is really used to fulfill some of their needs which, at times, are very large.

Mr. Speaker, I am not going to go on much longer, but I wish to say that I found this debate interesting, although a bit dull; I was going to say mean. My friend from Saint-Denis (Mr. Prud'homme) tells me that the word is very appropriate in this case. Yes, it is fitting, because we should not forget, Mr. Speaker, that this Government is not really concerned with the plight of the less well-to-do. However, it is concerned, even obsessed, with the large deficit. It wants to reduce that deficit and it is just too bad if people in need suffer from it or require assistance. I think that this attitude is mean and that we are lacking sensitivity toward poor families.

All we have to do is look at the statistics. I have got some, Mr. Speaker, and I could recite them for the whole afternoon. At the present time, the disposable income, that is the money we are really free to spend, is shrinking every day. Savings are down too. Canadians are saving less than they used to, and God knows the tax system, the famous measures in the last Budget, has added to their burden. I could give you figures