

Income Tax Act

Mrs. Mary Collins (Capilano): As did my colleague, I would like to say how welcome this Bill will be in British Columbia. I would like to commend the Minister of State for Finance (Mr. Hockin) for introducing this measure so quickly in this new parliamentary session. This particular measure is certainly in accordance with the four pillars which form the basis of our Government's policy, particularly the one of promoting social justice.

When I had the opportunity of speaking in reply to the Speech from the Throne, I talked about the goal of this Government. We want to enlist all Canadians in the pursuit of this common goal of a modern, tolerant, and caring nation in which our citizens are secure and prosperous. The measure that we are discussing today, Bill C-11, is certainly an important step toward achieving that goal. It shows that we are a modern society, that we have the technology which enables us to send out these payments in advance. It shows that we are a caring nation, and that we certainly care about that part of our society which needs help the most and that we are going to make every effort to ensure that they are well looked after. Ultimately, we want our citizens to be secure and prosperous. As much as possible we want them to have the opportunity for employment. But certainly at the minimum we want to ensure in every way we can that we provide economic security. The prepayment of the child tax credit will certainly move a very large segment of our society toward a greater sense of security.

This legislation is one further step in helping those in our society most in need. The measure promised in the February Budget earlier this year puts money in the pockets of those who need it when they need it. It is such a simple concept I find it amazing that no one ever did it before. Perhaps they did not have the technology. But we have it now and we are going to use that technology to meet those needs.

As we have heard already, this measure will provide for the interim payment of \$300 per child in November this year to those families who are eligible. It will be two-thirds of the total child tax credit which amounts to \$454 for 1986. They will receive the \$300 by cheque in the mail in November of this year.

As my hon. colleague from Scarborough Centre (Mrs. Browes) discussed earlier today, at this time of year with the onset of winter—I know as a mother of three children myself—we are aware of some of the costs that are associated with the onset of winter. The way kids grow these days, they need new winter boots, new winter coats, and there is Christmas. We all want to be able to do something special for our children around Christmas time. This payment will really be welcome because it coincides with a time of year when expenses are often a little higher than normal.

Canadian society is a dynamic society. It is also changing very rapidly. One way it is changing is in the family structure. Our challenge as a Government is to take into consideration these changes and to formulate social policy to respond to them and to help those who need it.

We are aware of the rising divorce rates, the sad fact of desertion, and the great number of single parents with a lot less support than that received by extended families which perhaps existed to a greater extent in our society in the past. As a result there is a growing number of single mothers who are single-handedly raising their children, often without any other kind of financial support. One of the very sad facts still in our Canadian society is that many of these families are poor. In fact, 42 per cent of families with a female head live below the poverty line. This legislation recognizes the plight of those low-income families and provides them with money at a time when it is needed the most. Seven hundred thousand recipients will be eligible for this prepayment. In my own Province of British Columbia we estimate there will be 67,000 families with a total of 119,300 children. That is a lot of children. The average prepayment of \$535 will go a long way in helping them to meet their needs over the next few months.

One of the other facets of this Bill that has been discussed and I think it is very important given the discussion we had in this Chamber earlier this year, is that it is going to reduce the attractiveness of the services of the tax rebate discounters. Child tax credit recipients account for half the clientele of the tax rebate discounters. With the prepayment of \$300 of the child tax credit in November, parents will no longer have to seek out tax rebaters to cash in on their forthcoming tax credits. That service has a cost. This innovative move will put money directly into the hands of a parent at the time when they need it. They will no longer have to wait for the money or pay a higher interest rate for the early use of this money. I should add that Bill C-11 complements our Government's tougher controls on tax discounters. What is important is that in addition to those tougher controls, we are going to do away with the need for a very large part of their services, particularly on the part of those we feel can least afford to pay for those services.

Another interesting aspect of this program is that it is in accordance with the Government's commitment to eliminate and reduce red tape. That was also part of our commitment in the Throne Speech. People do not have to apply for this payment, they will not have to fill out application forms, and we will not have to hire more people to process forms. This year it will be sent automatically and will be based upon the 1985 tax return. By paying out the child tax credit to families with incomes below \$15,000, we are getting the money to those who need it in the fastest and most efficient way.

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The advance payments will be made to the recipients of family allowances who in most cases are the mothers. A mother of three children who is eligible for prepayment will receive \$300 per child for a total of \$900.

There was a point raised earlier in the debate by an Hon. Member across the floor. I should like to point out again that obviously in some cases there will perhaps be some discrepancies between the amount of money a family might have earned