

Private Members' Business

First, the real problem is that support recipients spend the money without paying taxes.

Second, as of March 1, 1992 approximately 75 per cent of non-custodial divorced parents who had been ordered to make child support payments were in arrears.

Third, this forces support recipients to turn to social assistance, costing taxpayers money that otherwise should have been paid by the non-custodial parent.

Fourth, insufficient funds either to pay the taxes or care for the child creates stress and extra concern for the custodial parent.

Fifth, in many instances supporting spouses leave the province in order to avoid paying child support. Since it is a provincial responsibility to administer the child support and alimony system authorities are virtually helpless. The result is an increase in welfare costs to the provinces.

What are some of the solutions? We argue against the motion but what can we contribute in the House to help solve this very important problem?

We could leave the current system in place and encourage the courts to recognize better the financial needs of the recipients and the high cost of raising children. We could change the federal-provincial laws to allow interprovincial tracking of non-payers. We could initiate a campaign of shame on those parents who wilfully avoid payments to support their children and reminders to support recipients to remit some taxes periodically throughout the year to reduce the lump sum requirement at tax time. We could lower the tax rate for everyone by lowering government spending. That could be a tough sell in the House.

Unless there is an agreement between the two parents the non-custodial parent does not get the maintenance deduction. Therefore both parties when in divorce court should be made aware of the tax consequences before final agreement is reached. The support recipient should seek more equity through the support system itself and not through the tax system.

In the 1992 federal budget a new child tax benefit was created. It was designed to aid in the fight against child poverty by targeting federal moneys to those families in financial need. The motion helps point out a problem in society but the Income Tax Act did not cause the problem. It was caused by human error on the part of parents for whatever reason. The solution lies in public awareness and education for divorcing couples so that they do not make deals at the kitchen table or, if they make deals at the kitchen table, they are cognizant of the impact of their decisions.

The reality is taxable support payments are better than no support payments. Income tax is far too complicated and too

intrusive when involved in dictating through tax preferences our social behaviour. Our entire taxation system should be reviewed, reformed and simplified.

In conclusion, a flat tax for Canada would help solve our social program funding with higher personal exemptions, improve the tax system through simplification, and, for members across the way, create more jobs because taxpayers would have more disposable income.

Mr. John Murphy (Annapolis Valley—Hants): Madam Speaker, I am pleased to have the opportunity to speak today on this important motion. I would like to take the opportunity to congratulate the hon. member for Nepean for bringing forward this issue to the House of Commons.

• (1835)

The motion before us addresses the changing social and economic nature of Canadian society, namely the increasing number of single parent families and the difficulty these parents face in providing for their children. I support the motion because I believe that by addressing the issue of child support payments we are also addressing the broader fundamental problem of child poverty.

Our government has made a commitment to invest in people and to create opportunities for all Canadians. All our economic and social policies have aimed to achieve this objective. I believe the motion before us is consistent with that goal. It gives us the opportunity to ensure that children of lone parent families are provided with the resources necessary to live successful and productive lives.

The level of child poverty in Canada is unacceptably high. Recent statistics show us that 1.2 million children in our country are living in poverty. Canada's poor children live extremely disadvantaged lives. These children often live in poor housing conditions. They have a greater likelihood of experiencing unemployment in their families and have far less access to quality child care.

Further, according to Campaign 2000 of the Child Poverty Organization with which I met this morning, poor children can expect to have a shorter life span, suffer from illness, require an increasing amount of emergency food assistance and are more likely to drop out of school.

The rate of child poverty in single parent families in 1991 was about 61 per cent. In other words, three of every five children living in a single parent family lived in poverty. On average poor single parent families need an extra \$9,000 a year just to reach the poverty line. These figures are particularly true for female custodial parents. After divorce, custodial mothers experience a dramatic increase in the economic burdens and income earning limitations linked to child rearing responsibilities.