

Income Tax Act

be read the second time and referred to a Legislative Committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): In the spirit of trying to get this legislation through, and knowing that at two o'clock we will have the Minister in the House, may I call it one o'clock.

Mr. Speaker: It being one o'clock, I do now leave the Chair until two o'clock later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I will be very brief. The legislation before the House today, Bill C-11, is strictly a housekeeping measure, and I do not think we will have much trouble adopting this Bill. First of all, it does not involve any new expenditures on the part of the Government and second, it changes almost nothing in the program introduced by the Liberals, and I am referring to the child tax credit, which since 1978 has been used to help our neediest families. This assistance is provided to help pay the cost of educating dependent children. As we know, the tax credit is paid annually and as part of the regular programs has been much appreciated.

Mr. Speaker, I have only one comment to make, and then I think we can proceed with Committee of the Whole. I just wanted to say that in the riding of Ottawa—Vanier, and I feel it must be said, we have a considerable number of single-parent families. I think this riding has been particularly affected by the rising incidence of divorce and family break-up generally, and as a result, about one-fifth of our families are single-parent families with dependent children. Most of these single parents are women with very low incomes, often below the poverty line. I would say that 20 per cent of the people in my riding are single-parent families, and these are the people who have to live on very low incomes. I would have thought the Government could have dealt with this problem by increasing the tax credit, by giving more money. I think that some day we will have to realize that our target, our programs will have to be aimed at increasing the incomes of these people who are the neediest in our society.

Mr. Speaker, one thing we absolutely must do is put a stop to the practice of discounting federal cheques and letting incredible sums totalling around \$20 million annually go to the tax discounters. I think the easiest way to keep our neediest families from going to the tax discounters would be to abolish this practice, so that the 500,000 Canadians who sold their child tax credits to tax discounters last year—two thirds of whom were earning less than \$8,000—so that these people can

then enjoy the full benefit of what they receive from the Government.

Mr. Speaker, I will not hold up debate any further. As I said before, we see this as a housekeeping Bill which does not make any major changes or involve additional expenditures, and we are therefore prepared to expedite the passage of this Bill.

[*English*]

Mr. Mazankowski: Mr. Speaker, there have been discussions with the two opposition Parties, and I think there would be a disposition to move Bill C-11 into Committee of the Whole and thereafter move it into third reading if we dispose of committee of the whole consideration today.

If Your Honour sought unanimous consent in that regard, I believe it would be granted, and we could then get on with further progress.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the chair.

The Chairman: Order, please. House in Committee of the Whole on Bill C-11, an Act to amend the Income Tax Act.

Shall Clause 1 carry?

On Clause 1—*Eligible child*

Ms. Mitchell: Mr. Chairman, I should like to propose an amendment to Clause 1. I move:

That Bill C-11, an Act to amend the Income Tax Act, be amended in Clause 1:

(a) by striking out line 9 and substituting the following therefor:

"whom the individual was entitled to receive"; and (b) by striking out lines 12 to 14 and substituting the following therefor:

"be entitled to receive a family allowance under the *Family Allowances Act, 1973* for the greater part of the taxation year".

Very simply, the purpose of this motion is to ensure that the person who had the primary care and maintenance of the child receives the child tax credit. The guardian of the child could change during the year or during the two periods mentioned in the Act. The way it is now, the person who collected the family allowance for the month of January of the taxation year is eligible for the child tax credit. Bill C-11 changes this to read that the person who it is anticipated will be collecting the family allowance in January of the following taxation year will be issued the pre-payment.

The inequity which the amendment addresses is that it is still possible for the primary care giver of the child to be denied the child tax credit simply because for some reason he or she was not in receipt of the family allowance for the particular month of January.

Although the incidence of this inequity actually happening is not widespread, it does in fact happen. When it does happen, the appeal procedure is through the Department of National Revenue. In order to have a legitimate case for appeal, an