

Canada Child Care Act

licensed care in family homes or centres is available for less than 10 per cent of the children under 13 whose parents work or study more than 20 hours per week. This Conservative Bill covers only pre-school children. It ignores completely the problem of the latchkey children, the children who are left alone with nothing more than the key to their home or apartment on a string or chain around their necks waiting for their parent or parents to complete their work, work they have to do to maintain their standard of living.

This so-called national child care strategy announced by the Conservative Government consists of two parts. The first part set out in the February, 1988 Budget purported to assist parents through an increase in the tax deduction for child care expenses and an increase in the refundable child tax credit, something that would involve a tax expenditure of \$2.4 billion. The second part of the Conservative approach to be implemented by this Bill involves cost-sharing agreements for child care funding with the provinces.

This Bill, as the Advisory Council on the Status of Women said, leaves a lot of important questions unanswered. For example, it is not yet known how the child care services eligible for cost sharing will be defined, or how exactly profit making child care agencies will be distinguished from non-profit agencies. No regulations have been drafted. One would think that with a piece of legislation like this the draft regulations would have been available, they would have been made public, they would have been presented to the legislative committee so we could have in mind and assess what they say about the Government's real intentions in carrying out this legislation which, as the Advisory Council on the Status of Women said, is nothing more than a hollow shell.

With questions like the ones I mentioned left dangling, the Government has said that its approach will cost \$6.4 billion over the next seven years, of which \$2.3 billion are the tax provisions for parents in the 1988 Budget I have mentioned. These tax expenditures for parents over the next seven years have a special ring of absurdity about them when it is recalled that the cumulative impacts of the Conservative Government's first three Budgets over the four years of its mandate means that the personal income tax portion of Government revenues has increased by \$28 billion, such that parents with two children earning \$15,000 annually have been hit with a tax increase of 53 per cent, and that parents earning \$30,000 have been hit with a tax increase of at least 18 per cent.

If we set aside this grand scale fiscal absurdity and unfairness for just a moment and consider the possible impact of the \$2.3 billion tax expenditure in the 1988 Budget in the narrower terms of the Conservative child care strategy, we see that the increased child care tax deduction will provide real financial benefit only for the higher income earners who likely already have and can pay for unsubsidized licensed child care or paid domestic help. This deduction will not be of any real help to lower income families. But what about the increase in the child tax credit? Increasing the child tax credit by \$100 in 1988 and by \$200 in each subsequent year will not provide an

adequate amount of urgently needed help for those families who cannot get receipts for their child care expenses, or whose incomes are too low to qualify for the much greater tax deduction. Two hundred dollars per child per year goes nowhere in the real world, where the present cost of licensed care for one child averages from \$3,000 to \$4,000 per year across the country, and in some cities licensed infant care can run as high as \$10,000 per child.

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It is painfully obvious that these tax measures will not stimulate the construction of new spaces, the renovation and improvement of existing child care centres, and the upgrading of salaries and training for child care workers.

The Government claims that under its strategy Bill C-144 will set aside some \$3.94 billion for cost-sharing child care services. Under the current Canada Assistance Plan arrangements, the Government would have spent approximately \$2.6 billion over the next seven years. In reality, the new money provided through March, 1995, is \$1.3 billion or \$200 million a year.

It is clear from the Bill that it will create only 200,000 new spaces over the next seven years, for a total of approximately 400,000. Surely this will not serve the needs of the approximately 1.8 million children in need of child care facilities. Over 70 per cent of the children who need child care spaces will not get them under this Conservative approach to child care.

What is even more disturbing about this legislation is the fact that existing tax measures and arrangements for federal-provincial cost sharing under the Canada Assistance Plan—a plan, by the way, created by past Liberal Governments—could provide more new child care spaces than the fixed target of 200,000 adopted by this Conservative Government over the next seven years. This is confirmed by research carried out by the Canadian Day Care Advocacy Association. This research shows that we can have an increase of 293,903 spaces at the end of 1995 simply by continuing the present and previously existing Canada Assistance Plan program.

The Conservative Government's estimate of 200,000 new spaces to be created by its child care strategy falls 93,903 spaces short of what we could likely have by sticking with the *status quo*, based on the very lowest annual increase that we have had over the past five years.

I am not saying, by the way, that the *status quo* is enough. Obviously it is not enough and more has to be done, but what we need is not going to be provided by this inadequate Conservative approach to child care as set out in Bill C-144.

The preamble of this Bill refers, and I quote, to the need to "improve the availability, the affordability, the quality, and the accessibility of child care services". At the same time, it commits the Government to limit federal payments under the