

# Child tax reveals Harper mindset [CA] <sup>[1]</sup>

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## EXCERPTS

Not all Stephen Harper's ideas come from George Bush's America. At least one comes from Canada, circa 1918.

That's how far back &mdash; almost 90 years &mdash; Stephen Harper's Conservatives have gone for one of the few social policy ideas they've put forward in this election campaign.

Harper may have appeared young and forward-looking in last week's leaders' debate, but he seems keen to take us back to bygone days &mdash; not just the Leave-It-To-Beaver era of the stay-at-home mom, but all the way back to a time when the horseless carriage still turned heads.

It was back then, during the World War I, that Ottawa made its first stab at devising a program to help families cope with the cost of raising children. The program was later widely criticized for a serious flaw: It provided bigger benefits to richer families.

Successive Liberal and Conservative governments recognized this as a problem and spent decades reworking the whole area of federal assistance for families. The result of those efforts is today's National Child Benefit, a program that has been widely praised as progressive and inclusive, hailed by the Ottawa-based Caledon Institute of Social Policy as "one of the rare bright spots of Canadian social policy."

Now, according to the institute, Harper is poised "to make a sharp right turn away from the long path of evolutionary reform."

Harper isn't planning to tamper with the National Child Benefit &mdash; or at least, not that he's told us.

But he's proposing to plow billions of new federal dollars into a child-tax deduction program that looks very much like the World War I-era program that past governments of both political stripes deemed unfair.

Harper says he is simply trying to direct benefits to middle-income families. But he could easily do this by enriching the existing National Child Benefit &mdash; a broad-based program that provides benefits to nine out of 10 Canadian families, with bigger benefits for those with smaller incomes.

Harper proposes taking us in exactly the opposite direction, by reintroducing a program that provides bigger benefits to the richest Canadians and no benefits whatsoever to those at the bottom. This is where Harper plans to put all that new money &mdash; \$3.5 billion a year, once fully phased in.

Under his proposed scheme, a Bay Street executive with two children and an annual salary of \$225,000, would receive a total benefit of \$1,746 a year.

But if that executive gets laid off from his Bay Street job and ends up flipping hamburgers at McDonald's, he'd lose his benefit entirely. Indeed, he'd receive absolutely nothing from the extra billions Harper plans to hand over to families &mdash; even though the executive-turned-hamburger-flipper would still have two children to feed and clothe.

That is surely perverse &mdash; and exactly the reason that the World War I-era scheme was thoroughly revamped over the years. Even the former Conservative government of Brian Mulroney, not known for coddling the poor, took an important step toward removing the perversity from the earlier system &mdash; a perversity that Harper plans to revive.

As an economist, Harper is aware of what he's doing.

He's also no doubt aware that his proposal would, in most cases, provide more generous benefits for traditional 1950s-style families where the mother stays home. Under the Harper scheme, a two-earner family with an income of \$40,000, would receive a benefit of \$640. But a family with the same income and a stay-at-home mom would receive more than double that &mdash; \$1,456.

It's hard to imagine why anyone would design a system that gives substantially more money to a family just because one person (almost always the mother) stays home &mdash; unless one wanted to encourage mothers to stay home.

Of course, there are many social conservatives who would love to push back the clock to the days when women were focused on cleaning floors, not breaking through glass ceilings.

These social conservatives made up the rump of Harper's old Reform/Alliance party, which is clearly the dominant force in the new Conservative party. Harper has been careful to keep these social conservatives out of view in recent weeks, lest they scare the big-city folk, whose votes are now desperately needed.

But the social conservatives will expect policies promoting conservative lifestyles under a Harper government. Harper's favouritism toward stay-at-home moms in his child tax deduction scheme gives us a taste of that.

And don't expect to see anything in the way of a national child-care program, as promised by the NDP and Liberals. But, then, who needs child care? After all, they got by without it during World War I.

- reprinted from the Toronto Star

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