"Taxation of Child Support," continued from page 113.

to generally less favourable tax credits and family allowances, the tax system disproportionately subsidizes the child support obligations of men. Moreover, since all deductions operate as regressive subsidies, the scheme benefits most those least in need—namely, the wealthiest divorced or separated fathers.

SPECULATIVE BENEFITS

The Thibaudeau and Schaff rulings are now on their way to the Federal Court of Appeal and the issue will no doubt end up before the Supreme Court of Canada. Hopefully, the appellate courts will grapple more fully with the discriminatory aspects of the current scheme. However, as the recent Supreme Court decision in Symes (1993) illustrates, judges may be reluctant to decide complex questions of tax policy especially when their decisions may have contradictory and unpredictable results for members of disadvantaged groups.

What would be the impact of the removal of the inclusion-deduction scheme for support payments? Such a result would put more money in the hands of the relatively few single mothers, like Thibaudeau and Schaff, whose quantum of support has been calculated without adequate regard to tax liability. However, for most single mothers who receive support payments that include a "gross-up" to cover tax liability, a return to the pre-1942 situation will not put more money in their hands, and may actually create a risk of diminishing the child support they receive. This risk arises because fathers' ability to pay will be reduced by the removal of the deduction. The incentive placed on fathers to comply with their obligations will similarly be removed with uncertain effects. Most single mothers will be better off only if the

\$250 million increase in government revenues that would result from the abolition of the current inclusion-deduction scheme is redirected to the benefit of low-income households. Given the courts' inability to direct such a transfer of funds, the current equality litigation offers at best speculative benefits for most single mothers.

Bruce Ryder is an Associate Professor at Osgoode Hall Law School, York University. Legal Report is a regular feature of Canada Watch.

CW UPDATE

THE MONTH IN REVIEW

by Michael Rutherford

Indian Affairs To Be Dismantled in Manitoba

Department of Indian Affairs Minister Ron Irwin announced on March 9 that he had begun negotiations to dismantle his department in Manitoba and transfer its responsibilities to Manitoba bands. Irwin hopes that the transfer will serve as a model for the rest of the country.

LABOUR REFORM IN SASKATCHEWAN

Saskatchewan may become the first province to require companies to pay benefits to part-time employees. The Saskatchewan government introduced the proposed changes to the Saskatchewan Labour Standards Act on March 11.

DAMAGES AWARDED IN TAINTED BLOOD CASE

On March 14, a judge awarded Rochelle Pittman and her four children more than \$500,000 after finding that the Canadian Red Cross Society, the Toronto Hospital, and the Pittman physician had a duty to warn her husband that he might have received an HIV-positive blood transfusion. Had he been told, Kenneth Pittman might have lived two years longer and might have avoided infecting his wife. The decision came the day before a provincial deadline requiring blood-transfusion HIV victims, or those infected by them, to accept a compensation package that would bar them from launching lawsuits.

EXPULSION NOTICES AT KAHNAWAKE

On March 14, the band council of the Kahnawake Reserve near Montreal published a list of 143 non-status residents who are being asked to leave the reserve. The band council, which has the right to expel non-status residents under the Indian Act, wants to protect what it calls the "genetic quality" of the community.

SOCRED MLAS JOIN B.C. REFORM PARTY

Three Social Credit MLAs joined the B.C. Reform party on March 14, rebuffing an invitation by Gordon Campbell to join his provincial Liberals. The B.C. Reform party does not have the support of federal Reform leader Preston Manning.

SOLDIER GUILTY IN SOMALI'S DEATH

On March 16, a court-martial found Private Elvin Kyle Brown guilty of manslaughter and torture in connection with the death of a Somali, Shidane Arone, who was killed while in the custody of the Canadian Airborne Regiment in Somalia last year. Brown was later sentenced to five years in prison and dismissed with disgrace.

CONSERVATIVES WIN ONTARIO BY-ELECTION

Progressive Conservative Chris Hodgson won an upset victory over his Liberal opponent in a March 17 provincial by-election in the central Ontario riding of Victoria-Haliburton. The victory followed a Conservative advertising campaign critical of the governing NDP's plan for same-sex benefits, which the Liberals also support. The NDP was a distant third in the voting.

B.C. LOGGERS DESCEND ON VICTORIA

Between 15,000 and 20,000 loggers arrived in Victoria on March 21 to stage a mass demonstration against proposals to reduce logging on Vancouver Island. The loggers rallied on the lawn of the B.C. legislature to protest a land-use plan put together by the NDP government's Commission on Resources and Environment.

NAFTA AGENCY GOES TO MONTREAL

The federal government chose Montreal over 24 other cities as the sight of a NAFTA environmental watchdog agency, the Commission for Environmental Cooperation. The decision on March 28 received a hostile reaction from some politicians outside Quebec, including Ontario Premier Bob Rae and Alberta premier Ralph Klein.

Hydro-Québec Loses Contract

The New York Power Authority's board of trustees voted on March 29 to cancel a \$5 billion (U.S.) contract with Hydro-Québec. Hydro-Québec officials said that the lost contract would mean a one-year delay in construction of the multidam Great Whale project, which the utility plans to begin at the end of the decade.

RYAN QUITS POLITICS

Quebec Liberal Cabinet minister Claude Ryan announced on March 31 that he will not run in this year's provincial election. Ryan's decision ends a 16-year political career, which included a 4-year period as leader of the provincial Liberals from 1978 to 1982.

FISHING SHIP SEIZED OFF NEWFOUNDLAND

The Kristina Logos, a Canadianowned fishing vessel flying the Panamanian flag, was boarded and seized in international waters off Newfoundland on April 2. Fisheries Minister **Brian Tobin** said that the action was the first step in an aggressive enforcement of an international moratorium on endangered fish stocks.

Michael Rutherford is an MA student in Political Science at York University. CW Update is a regular feature of Canada Watch.