

Family Allowances Act, 1973

Family Allowance recipients, the one-third with the most income, will lose any benefits at all. These are the families best equipped to share in the anti-inflation campaign. The lower income families will continue to receive the same assistance.

I am afraid this point has been missed by many Members in their speeches. It is important to realize that Family Allowances are essentially the most important component of a three-tiered system of child benefits. The other two tiers are contained in the income tax system, the child tax exemption and the Child Tax Credit. It is this package of benefits which matters, and which demonstrates the Government's commitment to protect those most in need during these difficult times.

There is one final point which I would like to stress. Again it is one which has been missed by most critics of the six and five program. The six and five program is designed to bring down rates of inflation. I cannot stress this enough. Inflation can and must be beaten. This means that the six and five program is limited to only a temporary period of transition to a world of lower inflation. Once we have achieved this goal, we will have closed the gap between the six and five limits, and full indexing will resume in 1985. Anyone who becomes unduly exercised over projections of lost benefits is assuming that inflation will stay in the 10 per cent to 12 per cent range. We simply cannot be complacent.

I am pleased to be able to remind the House that we are already seeing positive results. The Minister of Finance (Mr. Lalonde) in his economic statement pointed out that since the June budget monthly increases in the consumer price index have subsided to an average of six-tenths of 1 per cent. This is a drop from the average of nine-tenths of 1 per cent in the six months before the June budget. We are now within striking distance of 6 per cent inflation or better by the end of 1983. As far as Canadians receiving Family Allowances are concerned, this is doubly good news.

First, the gap between full indexing and the six and five limits is closing so that the impact of Bill C-132 on their monthly cheques may be even smaller than anticipated. Of course, we still must press on with the legislation.

Second, and more important, it means that the terrible strain that inflation has caused for families trying to make ends meet may begin to ease in the coming months. As we discuss this Bill, I think we all realize that there is no single piece of legislation, no tinkering with taxes or income transfers, that can do as much to help ordinary Canadians as the vanquishing of inflation.

Certainly the vast majority of the public realize this. That is why they have supported the six and five campaign from the beginning. As I said earlier, six and five is premised on building a national consensus and on the willingness of Canadians to pull together and reduce inflationary demands. It is premised on solidarity and sharing.

I would urge the House to give quick passage to Bill C-132. Brief as it is, it is also an important part of a larger campaign to tackle inflation and lay the foundations for a lasting economic recovery. It is a valuable lesson in the way sound economics and sound social policy go hand in hand.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, through you, my remarks will be addressed almost exclusively to the Minister of National Health and Welfare (Miss Bégin). I believe she knows what is happening. I want to say that Bill C-132 offers to the Minister the opportunity to restore her honour in the House. It offers her an opportunity to correct an injustice that has been with us for over nine years.

Since this is one of the rare occasions when we have had a chance to amend the Family Allowances Act, it means the Minister and her staff will have to bring forward and review the regulations. Under the Family Allowances Act regulations orphans were discriminated against, and so were teenage girls. Parliament decreed ten years ago that every child up to the age of 16 or 18, depending on whether he or she went to school, shall receive the same family allowance as every other child, regardless of the means of the parents or guardians. Regulations were promulgated and brought in that disallowed orphans in Canada to have access to Family Allowances at a time when they need it the most. This was done without any protest from Parliament. Under the regulations, these orphans are assumed to be adults, and because they are assumed to be adults, they pay taxes. The only right they have to Family Allowance is if their income does not reach the deduction allowed to a single adult.

• (2110)

This is absolutely contrary to the principles of the Family Allowances Act which is supported by every Party in the House. The only rationalization that the civil servants can offer for this regulation is that when someone's parents die they must therefore be in receipt of an estate and subsequently pay taxes. If they pay taxes, they must be an adult. There are several tens of thousands of orphans in this country who have varying amounts of income from their estates and, as a result, they are barred from Family Allowances under this regulation which I have already indicated. That is absolutely contrary to the spirit and the principle of the Act.

This situation also applies to a group which I have said very little about in the House. It concerns teenage girls. I suppose there is a certain reticence about raising this subject because the regulations say that Family Allowances go to all children except teenage girls 18 or under who are pregnant. Parliament gave the Minister or her Department no right to decide that this was an immoral act which therefore bars them from something that the Parliament of Canada indicated shall go to all children under 18, regardless of the means of the parents.

I know that when the Minister was made aware of these facts many years ago by one of her senior civil servants, she courageously stood in the House and said that she would do all she can to change the situation. My last question to her in the House concerned the progress she was making in dealing with the orphans. She said, "I have tried but I am told by the Minister of Finance that there is not enough money." I believe that was her answer.