

Family Allowances Act

Time after time history has taught us the consequences of allowing misery and neglect to fester unremedied. It is indeed very dangerous to make these matters worse. When speaking to this country some time ago President Kennedy declared: "If we cannot help the many who are poor, we cannot save the few who are rich". Mr. Speaker, while our circumstances are different than those on other parts of the globe, the words still ring very true and they should be heeded. If the Government is honest enough, it will realize that compared to many countries Canada is very wealthy.

Our challenge as a Parliament is to tear down that vertical mosaic which John Porter described 20 years ago in his book. We must tear down that vertical mosaic and redistribute the wealth and power of the country. These policies will not do that. Rather, they will reinforce that vertical mosaic and that is dangerous. The Liberal Government of the last 16 years initiated many of these programs and Canadians realized that this was the social contract they had with the country. Closure or no closure, Mr. Speaker, the children and families of the country do not want to renegotiate a new contract with this or a future government. My Party will remain true to that social contract. Let us see whether the Government has the courage to stand up to something that is very wrong.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I just want to say a few words about this particular motion to hoist Bill C-70 for six months, and the few words I want to say will take exactly 10 minutes. I do not see Machiavelli on the other side of the House, but if I were machiavellian I would tend to think that this plan to cut back on family allowances was a deliberate scheme. The proposed cut-back in old age pensions was the stalking horse put forward to get everyone to jump on it. We all did, and we did a very effective job. The polls following that decision of the Government showed that its popularity had dropped. The Prime Minister (Mr. Mulroney) then struck his breast and said, "*Mea culpa, mea culpa, mea maxima culpa*". We were wrong, we will index it again".

Ms. Mitchell: Shame on him.

Mr. Rodriguez: He said that and the polls went up again. What he really wanted to do was undermine family allowances. There are those who see that the Government was really out to stick it to the children of the country, particularly the poor children.

I was reading a very interesting statistic earlier and I would like to share it with you, Mr. Speaker. According to Statistics Canada, in the past five years the number of children living in poverty in Canada has grown from 723,000 to 1,113,000 which is an increase of 54 per cent. The Government says that it is increasing the child tax credit but even with an increase in the child tax credit, it has lowered the income level at which the child tax credit would be paid. In fact, we look at the proposed cut-backs in the family allowance as part of that whole budgetary proposal which lays on top of the federal sales taxes. We look at that whole package and see in fact that the poor in the society will get even poorer as a result of the particular

measures being proposed with respect to deindexing family allowance.

• (1710)

I am sure all Members of the House when they are in their constituency offices have people telephone and come to see them. There are fixed times for the receipt of the family allowance, certain times of the month when it arrives in the mail. If that family allowance is one or two days late, the telephone rings. I am sure Members of this House are well aware of that. It triggers a response. I do not believe this Government really understands the extent of poverty in this country, the extent to which the family allowance has become an integral part of the family income. In fact, probably in many families that is the only cheque which a woman receives in her own name.

There are many communities across this country where wives do not have the opportunity to find work outside the home and depend in a real way on the husband's income. The family allowance cheque will probably be the only cheque she ever receives in her own name. What has this Government decided to do? Cut the family allowance. It then turns around and says it is increasing the child tax credit which by the way, comes at the end of the year when the income tax form is filed by the spouse. In fact we are not really addressing the problem of wealth redistribution in this country.

The other provisions in the Budget ensure that the wealthy in Canada will continue to accumulate greater and greater wealth. The Prime Minister during the last election campaign promised there would be a minimum tax on the wealthy in Canada. That remains a campaign promise. Nothing has been done to effectively deal with tax reform. Do the wealthy of this country really need the \$.5 million capital gains gift which this Government has given them? Do they really need it?

Mr. Duguay: Do you really need to yell?

Mr. Rodriguez: Well, obviously, the Hon. Member does not hear very well. When those Members were in the opposition, they were great ones for dumping on the Liberal Government. Now they are the Government and in fact what they do is deal with people in just as cruel a way as the Liberals before them. The Members opposite should be ashamed. They have an opportunity to revamp the Income Tax Act. They have a vast majority. Now is the time to seize that opportunity and really ensure that those who need income support in Canada will receive it. Surely the Government should be using the Income Tax Act to ensure that it redistributes wealth to the families who really need it. In fact, this Bill will only exacerbate the poverty which presently exists.

According to the Canadian Council on Social Development all the various taxes which are proposed in the Budget will cost the average family over \$1,000 in purchasing power by the year 1990. Surely the Government has to be concerned with that sort of regressive kind of tax, the sales tax. Even the children pay federal sales tax on candies and pet food for their