

*Family Allowances*

How could we qualify this publicity trick? Should we call it irresponsibility, infantilism or sheer deception? I suggest it is all that. I would simply say this to Canadians: Stop being suckers. Get back to reality because the first result of this bill will be to freeze huge funds not earmarked for family allowance. They all believe that children of low or middle income families will get a lot more money. Mr. Speaker, that is not the case at all because even if 10 per cent of these families do get a few extra dollars a month, most of it will be lost because the \$200 will be payable only at the end of the year.

**Miss Bégin:** That is absolutely false.

**Mr. Gauthier (Roberval):** In other words the government will take advantage of the millions in \$200 tax credits to finance itself during a year—

**Mr. Breau:** That's not true.

**Mr. Gauthier (Roberval):**—whereas the needy families will have only their meagre \$20 per child to provide for them.

Mr. Speaker, someone said it was false—

**Mr. Breau:** That is false.

**Mr. Gauthier (Roberval):** Mr. Speaker, someone says that's false. But that is what is in the bill. Maybe if we ask long enough we will get amendments, as the minister promised, as well as payments every three months. That is exactly what we want in the first place, those \$200, and we are calling that to the minister's attention.

● (1532)

What is really happening? First, let us go back to the facts. At the end of December, 1978, that is this year, the family allowances will no longer be \$25.68 but, due to cost of living adjustments, they will be brought up to \$28.80 a month for every child. It means that every child will lose \$8.80 a month instead of \$6 as the minister pretends. Thus \$105 a year will be lost, which brings the \$200 down to \$94.40 at the end of the year. With this loss of \$105.60 and the allowances now granted, a family of four children, for example, will not be able to subsist with \$20 a month for each child, a total of \$80 for the four of them. They will have to rely on the \$800 to make ends meet at the end of the year, that is in April of every year—

**Mr. Breau:** But it is next April!

**Mr. Gauthier (Roberval):**—yes, I know, but it will happen every year. To make ends meet at the end of the year, the \$800 will have to be borrowed.

**Some hon. Members:** No, no.

**Mr. Gauthier (Roberval):**—it seems to me what I witnessed yesterday is true. Yesterday, I was amazed to hear statements

[Mr. Gauthier (Roberval).]

to the effect that the minister tolerates interest rates of 15 per cent for a three-month period. In the case of a family which would like to negotiate those allowances, there will be only \$400 out of \$800 left at the end of the year since usurious interests will have taken \$400.

Since it will be compulsory to fill in the forms, even if the family has not sufficient income to send an income tax return, this gives an idea of the delays which will occur in those payments. Those who like us have experienced the slowness of the whole bureaucracy, which has become impersonal, know what I am talking about. Even as an hon. member one cannot obtain the names of the people who are responsible for all the sectors of our riding offices, as I could experience recently. I asked the department but received no answer, which confirms my statement, Mr. Speaker.

Let us not forget that a family living on social welfare or below the poverty level waits every month for the family allowances cheque to make ends meet. It certainly would not tolerate that its own money be so withheld by the government a whole year before being entitled to receive an annual guaranteed income under a law. Those are always the same difficulties that we have when we pass too selective and too often politicized laws. It would be much better now to give \$35 to every child without the tax credit provided in Bill C-10. We would rather pay \$35 to everyone, we would rather see it universal, without that famous tax credit which would be delayed all year. That would be to the satisfaction of all families, the rich as well as the poor. And that would be fair.

In fact, poor families would receive the full allowances, which would amount to \$420 a year for each child, whereas the family allowances to the families with an average income would be reduced according to the family income. Thus the poor would get more and the average family would get a little bit less, whereas the rich would then receive nothing, since everything he would receive would be given back in the form of income tax. Mr. Speaker, I can see that as a way to eliminate all the discrimination which existed so far, and which we still have in such selective legislation, because when making the payments, all children would receive the same cheque, since the difference would show only in the family income tax return. The family will get its allowances in full every month, so there will be no need to go see the shylocks to borrow.

● (1542)

That \$200 will, as I said earlier, be easily taken off. Now, what will they do with the accumulated revenues—they will be accumulated revenues, they said so—after that cut in family allowances? The Minister of Finance (Mr. Chrétien) himself said that lowering family allowances to \$20 per month per child, would bring the treasury \$170 million for the rest of fiscal 1978-79 and \$690 million for fiscal 1979-80, \$800 million a year on average. So reducing allowances from \$25.60 to \$20 does represent a sizeable amount. But if the calculation