

Family Allowances Act, 1973

which does not, according to the Government itself, make any serious difference to anyone's income. It seems strange to insist on debating that rather than debating what many Members of the House feel is a very urgent issue, namely, Canada's part in the arms' race.

I think the Bishops have hit the nail on the head when they said that there is this economic crisis which has generated a moral crisis. They are saying that the emphasis on capital and technology directly contradicts the principle of the dignity of labour. They are also saying that it directly contradicts the principle of a preferential option for the poor. Those are two principles which perhaps—they do not make it clear—they do base on the Gospel. Those are certainly principles that many others besides Christians hold and teach.

My point is that if we accept those two principles, the dignity of human labour and the preferential option for the poor, then this whole program of the Government comes into question. This is the program that the Bishops question.

The Government blames inflation on workers' wages, Government spending and low productivity rather than on the monopoly control of prices. That is the crux of the matter. If the Government is blaming workers' wages and Government expenditures which have been built up over the past three decades to equalize the inequalities of income in this country, and refusing to touch the monopoly prices that are the real cause of inflation, then it is putting up a smokescreen. The Bishops have not accused the Government of putting up a smokescreen, but I do. I believe that the Bishops' remarks provide a very sound base for that accusation.

The Government's strategy is simply to increase profitability by cutting workers' incomes, both the direct pay and indirect pay, through things like Family Allowances. Even if the recession brings the inflation rate down below 6 per cent and 5 per cent, something which has not been proved, the fact is that it is trying to instil in the 3.5 million people who receive Family Allowance some sense that they are to blame for inflation. This is similar to last winter when the Governor of the Bank of Canada said that even minimum wage is a cause of inflation. To blame the victims of inflation for the inflation itself is extremely cynical.

This Bill cuts into Family Allowance at a time when, according to the evidence before the committee, 900,000 children in Canada were living in poverty. It is a cut that will potentially affect the poor more than the rich. It has been pointed out that even if there is a Child Tax Credit that maintains the level of total benefit for two years, the benefit is reduced after that. In fact, the Liberals have been reducing that benefit year by year. In 1976, it suspended the indexation of Family Allowance. In 1978, it reduced the Family Allowance from \$28, which it should have been, to \$20. The result is that the Family Allowance is now \$27 a month when it should be \$40 a month, had it not been tampered with. This is a consistent policy on the part of the Liberals.

We are told by the Hon. Member for Lincoln that they discussed this at the convention. He did not tell us what the conclusions was. We know that they did not discuss this at the

Conservative Convention: they just took a poll. Sixty-two per cent were in favour of cutting the Family Allowance.

The Government is not only not cutting profits, it is feeding them. It wants to give hundreds of millions of dollars to the railways and guarantee them 39.5 per cent profits. In 1980, it already gave \$15 billion to industries in return for only \$11 billion in taxes. We are now told that it is up to pensioners, mothers and civil servants to be mobilized in the fight against inflation. The big companies will not be mobilized; only the poor. This mobilization talk is a means of attacking people through a monthly pay cheque which tells its recipients that it is their fault that we have inflation. It is a means of putting people down, a means of blaming the victims for the crisis, each one in his or her home. It is a means of repeatedly penalizing people with small cuts or insults. Along with the high unemployment, it contributes to paralyzing people, at least for the time being. They just do not understand what the Government they elected is trying to do.

● (1740)

I would seriously recommend to the Government that it consider a complete, alternative policy, as suggested by the Bishops of the Roman Catholic Church. First, the Government should regard unemployment, not inflation, as being the number one problem of our country. A couple of Hon. Members have said that they do, but they continue to act on the theory that inflation is their number one problem. I wish they would put their action where their mouths are today and turn their Government's policy around and treat unemployment, not inflation, as being our number one policy.

Second, there should be a broad industrial plan for rebuilding industries, especially manufacturing industries and the labour intensive industries of this country. Third, if there is to be a way of fighting inflation, it must be done on a fairer basis. Instead of hitting only employees, pensioners and children, there must be some system for raking in some of the excess profits, some of the fat profits which are being made at this time on the backs of the unemployed and the low paid. There must be maintenance of the network of the support systems of unemployment insurance, welfare, subsidized housing, medicare, subsidized education and all the benefits which have been built up in Canada. Those must be maintained on behalf of the poor. Family Allowance is one of the very important ones.

Finally, the Bishops say that the views of unions should be considered more in these decisions, and I would urge Hon. Members opposite to remember the very strong representations made by the Canadian Labour Congress against this Bill as well as other Bills.

As first the action of the Government simply seems unjust. At the time when it predicted that the inflation rate might be around 10 per cent or 9 per cent, cutting the Family Allowance to 6 per cent and 5 per cent seemed unjust. Now that it claims that the inflation rate will go down below even 5 per cent, it not only seems unjust, but also ridiculous. It seems like a way of stalling, a way of distracting people's attention from the real troubles in this country which arise from monopolistic