

*Family Allowances Act, 1973*

competition and how those benefits affect the prices of commodities in world trade. Those packages which include holidays, benefits for health care and working conditions were not the cause of unemployment in the western world.

● (1720)

Today some nations have taken action to reduce those benefits to workers. We must consider whether those benefits such as pensions, holidays, working conditions and Family Allowances led to the decline in trade in the western world or whether there were other factors.

Who is controlling the destiny of workers in the western world, Canada in particular? Is it Government, Government policy, the financial institutions which are becoming so powerful, or the multinational corporations which have access to and expenditure of capital? Is it the Federal Reserve Bank in the United States or the Bank of Canada which has led to the situation where Members of Parliament are now in this House to debate whether the Family Allowance increases should be kept to six and five over the next two years? Is it Government policy or is the policy which led to the high unemployment in the western world a policy generated in the United States by the Federal Reserve Bank and the administration there, supported in Canada by the Conservative and Liberal Governments?

That interest rate policy has driven a great number of businesses into bankruptcy, caused massive unemployment and the loss of homes, farms and fishing vessels. That policy, which was to cool inflation by high interest rates and monetarism, has carried western nations, including Canada, to the point that we now have such difficulty that we do not know how to balance budgets and put people back to work. In fact, we are starting to attack those least responsible for inflation more than anyone else.

I have talked about the old age pensioners whose pensions will be deindexed over the next two years to six and five. As well, we are attacking the retired public servants, RCMP personnel and Armed Forces personnel who paid for their pensions and made extra contributions. The Government is attacking them because it does not know where else to go. Obviously the federal Government has no indication and cannot indicate to Canadians how long we will be faced with high inflation and high unemployment.

Bills C-131, 132 and 133 have attacked the basis of social programs in this country. They have put into question the principle of universality which this Party fought for and so adamantly supports.

Public servants were the first to feel the wrath of the federal Government under Bill C-124. Their salary increases were capped at six and five with the whole-hearted support of the Conservative Party. The atmosphere in Canada allows Governments to attack programs which in the past have been very beneficial in an electoral sense to the Liberal Party. They were brought in at the insistence of the public and in some cases at the insistence of the New Democratic Party in a minority Government situation.

I sense in my riding a certain amount of support for the six and five program. That is because people are afraid of losing their jobs. They have gained the impression that the only way out of the situation is for Canadians to sacrifice even more. It is not bad enough that we have 15 per cent unemployment in the area I represent or a national average of 12.7 per cent. What is even worse is that those who are employed are afraid of losing their jobs. They are rightfully afraid because of growing unemployment in this nation.

In my Province of British Columbia there are an estimated 100,000 people on social assistance and far more than that are unemployed. There is a growing fear in Canada, caused by high unemployment, high inflation and uncertainty, about the plans of this Government to alleviate the problem.

There is a willingness and an acceptance of the fact that by and large public servants do get too much money, that their salaries should be controlled, that senior citizens do not need total indexation any longer and that Family Allowances are no longer as important as they once were. Mothers who count on the Family Allowance cheque will have to sacrifice in this battle against inflation. We are proud that there is a willingness in our communities to create employment through make-shift and temporary programs. They are making the best of the little bit of money that goes into those communities which suffer very high unemployment.

The Minister of National Health and Welfare (Miss Bégin) likes to indicate that unemployment is coming down because of the six and five program. Inflation is not coming down because of some mythical six and five program which only affects those segments of society such as public servants, Family Allowance recipients and old age pensioners. The six and five program is not working because of the Government's advertising campaign. It is working because the forest industry in British Columbia and the mining and manufacturing industries across this country are on their knees. There is massive unemployment and a massive lack of confidence in the Canadian economy. Those who are lucky enough to be working are putting their money in the bank and saving it because they are uncertain about their job security. We have a recession, if not a depression, in this country.

I am not sure whether the Government knows how to get out of it. The six and five program is simply a PR gesture to satisfy those who are unemployed. It wants them to think it is doing something. However, it is not creating employment or confidence.

The amendment to Bill C-132 before us will be supported by my Party, not because it is all that important and gives the Government one year on this program, but because it might be a slight improvement to the Bill.

This attack on universality and on Family Allowances could only come about now because Canadians are grasping at anything to improve the economy of this country and the situation in their households. It could never have been imposed by this Government unless Canadians had such fear that it would not go away. I am somewhat surprised at my colleagues to my right whose amendment we will be supporting. I am