

Family Allowances

Outside the reserves they are treated similar to other people who receive welfare payments from the provinces. I took the same position with the Minister of Indian Affairs and Northern Development as I took with the provincial ministers. I want to make sure that the tax credit is passed on to these families. As yet I have not received a reply, but I will continue to press for one.

The hon. member is correct when he indicated that Indians are the most vulnerable group because they do not pay taxes and they are not connected to the tax system. I will be meeting with the National Indian Brotherhood in approximately one or two weeks and this point is on the agenda of that meeting. Of course, I would like to have the co-operation of the National Indian Brotherhood. I will discuss with them a mechanism to reach the people in those communities.

Mr. Smith (Churchill): Now that I have received the reply of the hon. minister indicating that she has spoken with the Minister of Indian Affairs and Northern Development, I should like the assurance that there will be no time lag in the payment of supplements to individuals who will lose \$8 per month effective January 1. I want the assurance that it will not take the Department of Indian Affairs and Northern Development four months to catch up and provide that supplement.

There are many families on reserves in my area who have seven, eight or nine children. Those families are living on welfare. I want to make sure that there is no time delay. That is the guarantee the minister should receive from the Minister of Indian Affairs and Northern Development. We want to be assured that the system will be in place as soon as possible to assist families affected by this reduction. Will the minister assure us that she will receive such a guarantee from the Minister of Indian Affairs and Northern Development before January 1, so that I can tell the people I represent that they will suffer no loss of income whatsoever?

I am not clear what the minister meant by saying that there would be a loss of income in the first three or four months of the program. I understood that the \$200 per child payment was to be made at the end of the year. Is my understanding correct?

Miss Bégin: No, it is not. Dealing with the first point raised by the hon. member, perhaps there will be administrative delays between a notification of a change in financial or family circumstances being sent to the Department of Indian Affairs and an actual readjustment to the funds being received. But surely the delay will not be as long as four months.

The first loss of revenue for families with more than two or three children will be at the end of January. Family allowance cheques arrive in homes usually on the twenty-first day of the month. For the first year the program is implemented there will be a loss of revenue at the end of January, February and eventually March. March is tax time and people will start filing their returns. At that time the first of the child tax credits will be sent to mothers.

Indian mothers should be the first group to receive cheques in payment of the child tax credit. So we are talking of a

period of approximately two months from the end of January to March when there will be reductions in family budgets, reductions which will be supplemented by additional welfare payments.

The program will start at tax time this coming spring for the taxation year 1978. It will not start at the end of this year. Once in place, families will receive lump sums of a substantial nature. For example, in the case of a family consisting of five children, it will be in receipt of a \$1,000 cheque. Mothers can decide to allocate that cheque over the coming months to make up for the reduction in family allowance, or the total amount can be used for a major purchase by the family. Families could purchase washing machines, refrigerators, or perhaps bicycles for the children. The payments will be used according to the lifestyles of the families. The families will decide how to invest the money. I am sure I have given hon. members the schedule of payments.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member but his allotted time has expired.

Mr. Hogan: Mr. Chairman, I should like to make a few comments before I ask any questions. Deliberately I refrained from taking part in the debate on second reading, but I want to assure the minister that I am well aware of what is going on here. I do not like clause 10 at all because of the reduction in baby bonus or child allowance from \$25.65 to \$20. This was not necessary in order to accomplish the tax credit for children, which the minister was successful in getting through cabinet. Over the last three or four years, since most cabinet ministers apparently have become strongly right-winged and conservative, she must consider this a victory. Nevertheless, I join with my Conservative colleagues in making that suggestion to the minister.

It is not my intention to filibuster this piece of legislation. I realize this is a federal bill. I have no ulterior motives. I know the Minister of National Health and Welfare cannot receive an ironclad guarantee from the provinces.

A considerable number of her constituents are below the poverty line. Having worked in a poor district in Montreal and as a member of the House of Commons, I am sure she realizes the provinces can play tricks with federal legislation and money, directly and indirectly. I accept the minister's challenge as a member of the House. I will do my part to make sure that volunteer agencies, social workers and the provincial government in my area will not use this legislation in order to prevent a real distribution of income to those families below the poverty line.

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Having said that, let me point out that we should not exaggerate what has been done here. From a philosophical point of view, this is a small but important step toward the adoption of a negative income tax. But I, too, am concerned—and here I am repeating myself—because from my practical experience as a member of parliament in the last four years I know that unless great pressure by the federal government is