

Family Allowances Act, 1973

According to the nature of existing legislation, the answer given by Justice is one way or another. Because I am not a lawyer I cannot give the exact details which were already given in committee, but because of the drafting of existing legislation concerning seniors, we could not apply the capping before Parliament had changed the exact amount of what would have to be paid. The way the Family Allowance legislation is written, the clear advice of Justice was different and indicated that the payment could be made properly right at the start.

Mr. Crosby: Mr. Speaker, the Minister in her presentation this morning indicated that in relation to the six and five program as it applies to Family Allowance under the provision of Bill C-132 it cannot be supported on the grounds that the Bill has lowered the inflation rate in Canada. She indicated very clearly that she could not prove that the effect of this provision was to decrease inflation. She added, of course, that neither could it be proved that it did not add to inflation.

Is there not an onus or obligation upon her and her Government that presented this measure to the House of Commons and applied this measure to the children of Canada to stand here and say that it does reduce inflation and that is why they are putting it forward? That was the claim of the budget which announced in advance the six and five program. That was the claim of the Minister of Finance (Mr. Lalonde) that this would reduce inflation. Now the Minister stands in the House of Commons and says that she does not know whether it does or not. Is that justification for this measure which is taking money out of the pockets of Canadian families, over three million Canadian families and six million Canadian children? Now she says that she does not know whether or not it is doing any good.

Miss Bégin: Mr. Speaker, the Member is playing unintelligent partisan politics. He very often does that. I do not know why he does that. He has interpreted instead of listening to what I said. I come from research; that is the training I received. I am unable to play the sort of mean game he would like me to play, and I will not. I will just repeat. What I have said is that economists will not be able to demonstrate the direct link. I believe there was one. That is why I subscribed to and supported entirely the six and five program. I could explain it in greater detail to him, but surely he is intelligent enough to grasp that.

Mr. Orlikow: Mr. Speaker, it is interesting that whenever someone disagrees with the Minister they are partisan, but she is always objective and never partisan! The Minister tried to imply that the ill-effects of the capping of the indexation will be dealt with and that there will not be very serious ill-effects because of the extra \$50 that will be given in the form of the Child Tax Credit.

● (1125)

Is it not true that the \$50 extra Child Tax Credit is a one-shot affair? The capping of the indexation at six and five for the next two years will mean that if and when—and I say “if”

because if the Government can change the rules once it can again—full indexation begins two years from now, the base from which the indexing of Family Allowance benefits will start then will be substantially lower than it would have been without capping. Beginning from that lower base, the amount paid in Family Allowances every month for the entire period the mother is entitled to receive the Family Allowance for her children over the period of 16 or 18 years will be very much less than it would have been if there had been no indexation, despite the \$50 Child Tax Credit.

Miss Bégin: Mr. Speaker, concerning the \$50 first, that sum will be given in one sum through this spring's income tax returns. But it does amount to the total needed, probably a little more, over the two years 1983 and 1984, to cover the loss in indexation. In other words, mothers will have it beforehand in the family budget. That is the reason. It is fiscally distributed over two years as an expense. It is split over two years as an expense, I think, but that is an accounting procedure and does not affect the mothers' cheques.

As for the second more basic question, the fact stated by the Hon. Member is correct. We said that, but not in the dimension he expresses. If indexation compared to real inflation is reduced, the base will be reduced slightly. The Hon. Member said “enormously” and he gives the subsequent 18 or 20 years as a reference, but he is forgetting something. He and his party always use seven-month-old figures instead of the more recent figures reflecting inflation.

An Hon. Member: Why don't you publish the new figures, then?

Miss Bégin: When we introduced that measure seven months ago, we thought inflation would be around 11 per cent. Therefore, mothers receiving only 6 per cent indexation would lose about 5 per cent. But they are not losing more than 1.2 per cent, or something in that vicinity, because in that seven months inflation came down a great deal.

A few minutes ago I was a witness at a Senate committee hearing regarding seniors, so I have the figure of anticipated inflation which should apply to this Bill as well. I think it was for the fall of 1984. The figure was below 5 per cent. In fact, the figure I quoted was 4.8 per cent. Therefore, there is no need to say that mothers will lose a penny. They will receive full indexation next year. That has to be verified monthly according to the variations in inflation. Right now inflation is coming down. Therefore, a loss in the base exists, but it is very slight because inflation has already declined. There is a loss in the base but a very small one. Next year it is possible not one penny will be lost.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I hope to be able to ask the Minister a couple more questions but I guess there is no value in asking short questions because we move on to longer ones and then we do not have a second round. We can all learn from that.