

Family Allowances Act, 1973

If the Government wanted to save money, Mr. Speaker, if it wanted to be just, then we would not have this Bill before us today, because of those three elements of that system which affect family incomes, the fairest one to poor people of this nation is the Family Allowance. The other two elements are not nearly as fair. But we have a perverse Government, supported by what I am beginning to suspect are a perverse group of backbenchers. Of those three programs available for redistribution, savings or whatever, the Government attacks the only one which has justice in it, the only one of those three elements which maximizes benefits to the poor and gradually reduces the benefits as family incomes go up.

What rational explanation can backbenchers on the other side give to their constituents for cutting spending on the most socially just part of those three elements? How can they go back into their ridings and say: "We want to save a little money, but we will continue to give more to the rich or to the better off than we are going to give to the poor"? What sense of perverted Liberal thought is involved in this Government bringing forward this Bill? How can they go back to their ridings and defend this Bill as somehow making a contribution to reducing inflation in this country when it is an insignificant amount of money relative to our gross national product and when it is one-twentieth of 1 per cent of federal expenditures?

Members on this side, in committee and in this Chamber, have continually pointed out to the Government other areas which would have more impact on reducing inflation and would save the Government more money than this legislation. I would like to bring to the House's attention just a couple of them. Last night in committee I handed out an analysis which shows that in the year just finishing the hidden interest cost subsidy to Petro-Canada, one Crown corporation, is \$514 million. Can I repeat that, Mr. Speaker? The hidden subsidy, which does not show up in the Estimates, to one Crown corporation, in one calendar year, is \$514 million. There are direct subsidies in the Estimates to that same Crown corporation in excess of \$400 million. At that point we are remarkably close to \$1 billion, and here we are spending days of House time to approve a measure which will take about \$80 million away from families and children. In a couple of days we are going to be asked to approve another measure which takes another \$80 million away from pensioners. We do this with the certain knowledge that at the same time we are directly subsidizing one Crown corporation to the tune of \$400 million and indirectly for another \$514 million. Those amounts are ten to 15 times as great as we are going to save by cutting the Family Allowance in this fashion. Where is the logic in that Mr. Speaker?

When we look at the Minister's Department and at the Auditor General's Report on that department, we do not see massive savings because we are not too sure of what the Auditor General is telling us. However, he does tell us one thing, that in the year just passed the Department overpaid the Canada Pension Plan by \$7 million and that the amount is growing yearly.

• (1250)

How did that come about? It happened because they were calculating benefits on gross figures rather than on net contributory figures. It was a simple arithmetical error. As I understand it, the Government is going to continue to honour this through the life of those individuals who are first-class senior citizens. Because of a departmental mistake, there was an additional cost of \$7 million in the year just passed.

Other parts of the Auditor General's Report show that the Department of National Health and Welfare does not have adequate systems to investigate whether payments to pensioners and families go to those legally entitled to them. We do not know whether there is fraud in the system and, if so, the size of the fraud.

These are the questions which the Auditor General brings to our attention. Before any of us are persuaded that we should take this \$60 or \$80 million out of the pockets of families, surely we should first of all look into the system that is in place.

Mr. Waddell: Why did you vote for the six and five?

Mr. Hawkes: I hear the NDP interjecting. That is the Party that in 1979 defeated the budget that was the fairest one for poor people in the decade of the seventies. They threw a Government out of office and now they want to know why we voted for the six and five.

In June, 1982 the NDP was the only Party in this House to vote against cutting their own salaries. They wanted to keep their salaries and that is how they voted. Members of this Party agreed that Members of Parliament should be involved in the war on inflation and should vote for a measure to reduce their incomes. The NDP voted to retain their salaries.

Mr. Waddell: We voted against six and five and for the children.

Mr. Hawkes: The NDP does not seem to realize certain facts, Mr. Speaker. There was a piece of legislation, to be followed by others, which laid down a principle. The only group to be affected immediately by a reduction in income was Members of Parliament and Senators. This Party voted for that so that we could turn things around in the country, but the NDP voted against a reduction in salaries. That is on the record.

As the Bills on six and five came before the House, we committed ourselves to fighting them piece by piece. I would ask the NDP where their amendment on the Family Allowance Bill is. Where were they this morning when there was a vote on a similar amendment on pensions? They were out to lunch, Mr. Speaker. There is a lot of talk but nothing in a legislative sense that makes the world better for anybody.

A Party that defeats a Government that has just brought in a budget that is the fairest for poor people in a decade is guilty of a hypocrisy that will be an albatross around their necks for the rest of their lives. They gave us inflation and they gave us a