

*Family Allowances Act, 1973*

there is no end to what is wrong with what this Government is doing.

I also say to her that it is not only Members of the Opposition who are making shopping lists of what this Government is doing wrong. Canadians from one end of the country to the other are making similar shopping lists. They are waiting for the opportunity to present them to the Government when it gets around to calling a general election. Then they will show this Government what it is doing wrong.

As the Minister said, this Bill is part of a package of three linked together which deal with limiting the indexing of Old Age Security, Family Allowances and superannuated public servants. It is one of three Bills which affects pensions and benefits to children. The Minister spoke about pensions and benefits to children, both in this House and in broadcasts outside this House.

When the first of these three measures was introduced—Bill C-131, which limited the indexing of old age pensions—in her remarks in the House the Minister told the senior citizens of this country that they should be the ones to lead the fight in the battle against inflation. That was her charge to the senior citizens of this country. In the course of that debate and in responding to the Minister, I made the point that what is needed is not a series of ad hoc Bills like this, but a comprehensive reform of our income security systems and our retirement income system. There should be a comprehensive analysis and reform of those systems so they meet the goals they were designed to meet, not only now but in the future.

It is clear to anyone who has looked at the income security system and the retirement income system that at the present time they are not meeting the goals for which they were designed. How can they when in this country over three million people are living below the poverty line? Those security systems are just not working. Much of the assistance is not being targeted to those most in need. In her remarks, the Minister made some reference to that. She said that through the security systems the income is not well distributed. I agree with her. Therefore, I urge her to get on with a comprehensive review of these programs.

• (1600)

But instead of reforming these systems, what does she do? Instead of reforming these systems so they better fulfil their purposes, the Government tries to impose a series of ad hoc measures which, unfortunately, will further distort and complicate those systems. What they will end up with as a result of these three Bills is that the anomalies and inequities presently in the system will be increased rather than diminished.

Having said that, I would like to proceed to the specifics of Bill C-132, an Act to amend the Family Allowances Act, yet another part of the so-called six and five restraint package which was announced in the budget last June. It sets monthly Family Allowance payments at 6 per cent above the 1982 level beginning January 1 of next year, and 5 per cent above the 1983 level, beginning January 1, 1984. Had the normal indexing procedure been followed, and assuming a 10 per cent

inflation rate in 1983, then Family Allowances would have been \$1.48 per month more in 1983 and \$3.05 per month more in 1984 that they would be if this Bill had not been introduced. What that amounts to, Mr. Speaker, is that over the two-year period this Bill will be in effect, mothers will lose \$54 per child which they otherwise would have received.

Through this measure, as the Minister has said, the Government expects to save \$320 million over the next two years. However, although it is not part of this Bill but was given extensive reference by the Minister in her comments, there is another measure which the former Minister of Finance introduced in his budget last June. That additional measure was that there would be a temporary increase of \$50 per child in the refundable Child Tax Credit for the 1982 taxation year. On the one hand we have a program of deindexing Family Allowances, which is supposed to save the Government \$320 million. Off-setting that is a temporary Child Tax Credit increase for next year which will cost the Government \$250 million. The \$50 increase, that one-shot temporary increase, will be available to mothers early in 1983.

These two measures, the deindexing of the Family Allowance which is incorporated in this Bill and the temporary increase in the Child Tax Credit, will mean that all families who qualify for the full Child Tax Credit—that is, those families with incomes below \$26,300—will come out \$32 per child ahead in 1983, and they will lose a little over \$4 per child over the entire two-year period. Families who qualify for a partial Child Tax Credit will lose something between \$4 and \$54 per child over the two-year period. Those who do not qualify for any Tax Credit will lose the full \$54. There will be, of course, a further loss when full indexing resumes in 1985: the base payment will have been permanently lowered.

I do not intend to speak at length on this Bill, but I would like to reiterate one point I made in speaking to the Bill on old age pension indexing just a few days ago, and that is that the Government's six and five restraint program is being applied in a most capricious and inequitable fashion. We have only to compare the treatment which the Government is meting out in the way it addresses the deindexing of old age pensions and the deindexing of Family Allowances to see this. The disparity between the sacrifice being asked of senior citizens and families with children betrays the callousness and lack of thought which went into these Bills.

I spoke of this in the debate on the Bill on old age pensions, which took away the full indexing from the pensions of senior citizens, but it does bear repeating because the cold hard numbers which you associate with it clearly make this point. Assuming a continuing 10 per cent inflation, single old age pensioners with incomes of \$9,000 will be asked to sacrifice \$290 over the next two years. Not only that, they will continue to sacrifice in 1985 and after because the base for their future pensions will have been permanently lowered. The \$290 which they are being asked to sacrifice represents, perhaps, a month's rent which they will have to find from some other source, if they can do so. That is what they are being asked to sacrifice.