the Government returned to the 19th century. Its philosophy is based upon old political and social Darwinism. The Government takes away from the poor and powerless and gives to the rich and strong. There are so many items in the May Budget to indicate that that I will not even enumerate them. I simply think that when speaking of survival of the fittest, one is speaking of social Darwinism. That is why the Government is taking us back to the 19th century, and I think it is shameful.

While the first concern here is the deindexation of the family allowance benefits, the issue cannot be looked at without looking at the wider issue of the entire child benefit system including the family allowances, the child tax credit and the child tax exemption and the changes to the system that were proposed by the Minister of Finance (Mr. Wilson) in the May, 1985 Budget. Together they serve quite a blow to lower-income families.

The Budget has brought about changes which will give even greater benefits to the rich and wealthy and a loss to the low and middle-income families. The ones who can least afford it are the ones who are really having a hard time making ends meet.

The National Council on Welfare has shown in its publication entitled *Giving and Taking: The May 1985 Budget and the Poor*, a publication which I suggest all Hon. Members read, that the large majority of Canadian families including many below the low-income line will lose child benefits from 1986 on as a result of the poorly conceived social policy direction reflected in the May Budget changes to both child benefits and the personal income tax system. Between 1986 and 1990, a five-year period, a family with two children earning a combined income of $15,000 per year will lose $1,879. A family earning $35,000 per year will lose $3,452, and believe me that can be ill afforded. It is pretty hard to raise children in today's society even with an income of $35,000 per year. A family earning $80,000 per year will lose $1,125. This means that the low-income family will lose $745 more than the affluent family while the middle-income family will lose more than three times as much as the affluent family. That is social justice Conservative style.

According to Statistics Canada, in 1981, 22.7 per cent of families in which the household head was less than 25 years of age were in poverty. By 1983, the poverty rate for that group had jumped to 35.9 per cent. That increase of 13.2 percentage points represents a jump of 58 per cent in two years in the number of poor families.

Turning to family allowances, the picture is just as bleak. For example, a couple with two children earning a net combined income of $9,000 per year or less will receive family allowance and the child tax credit. However, the income of that family is too low to benefit from the child tax exemption. In 1986, this family will receive $22 less in family allowance payments as a result of partial deindexation. From 1987 to 1990, as the child tax credit increases, the family receives more benefits. There will be a gain in 1987 of $64, in 1988 of $75, in 1989 of $96 and in 1990 of $44. That does not sound bad at all but the forecast changes. This is the sneaky part of the deal which goes on forever and ever. The kind of dirty tricks the Government is becoming famous for is shown by this example. By 1991, this same family will lose $8, another $63 in 1992 and another $119 in 1993. This loss will continue to increase each year as the value of family allowances and the child tax credit falls further below inflation. The family allowance cheque will mean less and less each month.

• (1630)

[*Translation*]

Increases in family allowances based on the rising cost of living have always been and still are an absolute necessity for most Canadians who are trying to raise a family on an income which is equivalent to or often less than what Government agencies consider to be the minimum living wage.

The de-indexation of family allowances geared to the first 3 per cent increase in the cost of living will again lower the living standards of Canadians, and an ever increasing number of them will end up living under the threshold of poverty.

Like the other restrictive measures contained in the Budget tabled by the Government, this Bill will do nothing at all to reduce the deficit, solve the economic crisis, and fight unemployment in Canada. On the contrary, if this Bill is adopted, the lower purchasing power of Canadian families will only lead to more lost jobs, worsening economic conditions and a larger deficit.

[*English*]

Some argue that the family allowance is so small that it does not mean anything. That is not the case at all. I suggest that it is very meaningful. The family allowance confirms the value of child rearing to society at large. It is the sole, consistent economic recognition of the contribution of all mothers in our society. It avoids the social stigma involved in receiving benefits based on one's financial position. In many cases, it is the only independent source of income for women working full-time in the home.

The Government seems completely unable to act in any consistent fashion. We are told by the Prime Minister (Mr. Mulroney) that this country is bankrupt, that Government spending must be reduced, transfer payments to the provinces must be cut back and that the federal deficit must decline. We agree with a great deal of that, but not in this way. However, the Prime Minister can find $1 billion to save the depositors who have already received $60,000 as a result of the western bank disaster. He found another $600 million to assist in the purchase of Gulf Canada and some $56 million to change the colour of our soldiers' uniforms.

For a nation which has prided itself on equality of opportunity and which believes that children are its life-blood, the presently envisioned measures seem sadly out of line with Canada's philosophy and with this Government's electoral promises. I hope that there will be some change and that we will adopt this recommendation.