

*Family Allowances Act*

those who responded to their demands, and the vicious circle was compounded.

The New Democratic Party has attributed all kinds of woes to the Conservatives and the Liberals. That is awfully easy to do because the New Democratic Party has never had the responsibility of administering anything. When it does take office in other jurisdictions it is clear that sooner or later it has to face the realities of economic life. There have been some drastic roll-backs of benefits in the western European democracies which have had socialist Governments. The proposal here is not to roll back benefits, but rather, as part of a bigger package, to transfer resources to needier families. This whole package has that objective and effect. To move away occasionally from the principle of full indexation is nothing new. No Party has a monopoly on virtue in that regard. I cite the examples of 1976 and 1978 and the six and five program in 1983-84.

The Hon. Member for Spadina (Mr. Heap) referred to some seven, eight, and nine-year projections and predicted calamity for our nation if we proceeded along what was called an anti-family course. We are here proposing to change the structure of these benefits over a three-year period. To assume that that would go on to infinity is ridiculous. I suggest that Members opposite would contribute more to this debate if they occasionally made some constructive suggestions. I believe that among the salient achievements of this Government to date is that we are grasping the nettle. We are taking the initiative and making hard choices for Canada, which is what Canadian people are looking for. I suggest that members of the Liberal Party and those of the New Democratic Party would benefit greatly from reading some of the wisdom contained in the report of the Macdonald Royal Commission. That commission, appointed by the previous Government, took a fresh look at some programs and has suggested constructive alternatives.

The proposals before us in Bill C-70 relate to the whole package of child and elderly benefits. Family allowances will be increased in future years by the annual increase in the Consumer Price Index in excess of 3 percentage points. That measure takes effect on January 1, 1986. The current value of family allowances is \$31.27 per child per month. The child tax credit, which will be payable in the spring of 1987, will be increased by \$70 per child from \$384 to \$454. The income threshold above which the child tax credit is phased out as income rises, currently frozen at \$26,330, will be set at \$23,500 and will be increased in future years by the annual increase in the CPI in excess of 3 percentage points. So it goes into taxation years 1987, 1988, and 1989. The whole principle is to give the opportunity to needier families to benefit more greatly from these well-placed and, hopefully, well-financed social programs. However, the programs cannot be well financed if we continue along the reckless binge of spending that was initiated by the previous administration.

**Mr. Steven W. Langdon (Essex-Windsor):** Mr. Speaker, it is a pleasure to be able to take part in this debate. I would like to begin by asking why it is that Governments that get themselves into financial difficulty look to the children of this

country as the target for reduction in expenditures. It is striking that this has not only happened with this Government, but has characterized Governments that have got themselves into financial difficulty for 15 years in this country.

There are two reasons for this focus. One is a sense of misunderstanding with respect to what is being accomplished by the Family Allowances Program. People in the context of this House talk about family allowances in terms that demonstrate a lack of understanding about the transfer process that is taking place through the family allowance system. They talk about it as a transfer system from rich to poor, which, of course, it was never designed to be. It was, instead, designed to be a transfer system from those families and individuals without the responsibility for children to those families which have that responsibility. In that sense, to examine and evaluate the program effectively you must look at the significance of the costs of raising children for all categories of families in our society. I think that any Member of the House of Commons who has children would recognize that the costs are significant from a financial viewpoint, but also in terms of the sacrifice of time and the commitment of energy, the process of giving of oneself to the future of your children.

● (1230)

I think that family allowance represents a minor attempt—we must recognize that it is minor—to balance out within our society the burden of taking on the responsibility of the next generation of Canadians. I believe it is a transfer that is badly misunderstood and the reason Governments pick out the family allowance and view it as a magnificent target when looking for ways to achieve economy.

I also believe that the second factor that explains making this the target is the sense of lack of consultation in the real sense and the lack of caring in a sensitive way that characterizes Governments with respect to the future problems of many families in our society.

With respect to the consultation process, although the Government has made an effort to talk with a great many groups about its plans for the future, that talk has not constituted a capacity to listen. Otherwise, how can it be that, at the end of the consultation process, we find that major groups that speak for people who receive the family allowance, who speak in the area of social policy in this country, find themselves completely opposed to what the Government is doing?

For instance, it has already been stated for the record that the Canadian Council on Social Development has opposed this deindexation; the National Council on Welfare has opposed this deindexation; and the Canadian Advisory Council on the Status of Women has opposed this deindexation. The Government will have to realize that it is creating a tremendous sense of cynicism about its own commitment to consult.

I believe that its commitment is quite well intentioned and it started out attempting to reach many groups across the country. I see one of the Ministers on the front benches who has, frankly, taken a lead in that consultation process. I know that she is a Minister who has listened—not enough with respect to