

*Family Allowances*

tion of existing moneys, a reordering of existing moneys according to the phrase used by the hon. member for Trinity.

Agreement with the provincial government is necessary before we can even talk about income maintenance. As I say, I am concerned about the discounters—this may not be a matter of principle, but it is, nevertheless, one of real concern.

In closing I want to say that the government has put forward this measure as if it were a revolutionary time in terms of income tax legislation and of social welfare legislation. I am afraid that one does not have to be a Marxist to differ from the views of the government on that score. I do not see this as a revolutionary change.

**Miss Bégin:** Nobody said it was. It is only a reform. Do not get excited.

**Mr. Rae:** I can assure the minister I am not getting excited about this legislation at all. I would only point out that if it is to have the effects that the minister wants it to have, there is a lot of hard work to be done convincing provincial governments to go along with this scheme and not to penalize those who receive benefits. I am not entirely optimistic on that score. In addition, there are very real administrative difficulties in this legislation which I hope we shall be able to discuss further in committee because they are of great concern to members on this side.

[*Translation*]

**Mr. Claude-André Lachance (Parliamentary Secretary to Minister of Justice):** Mr. Speaker, I must say that I was greatly interested in the flowery rhetoric of the hon. member for Broadview (Mr. Rae). It must recognize that for a newcomer, he knows how to handle sophistry masterfully. He seems to irradiate an intimate coalescence with the poor of this country. His only problem is that he is cheeky. He accused the minister of being insensitive to the pleadings of the poor. What does he know about poverty, Mr. Speaker? I leave it to the Canadian people to answer. He will no doubt readily realize that Proudhon, Rousseau or Marx may be very fine in books but that reality sometimes requires some adjustments, which has been well understood by his colleagues of the New Democratic Party who, when promoting quite legitimate interests and endorsing social objectives to which I subscribe in principle, have generally shown more restraint than he did.

Mr. Speaker, in a very lengthy and wordy tirade, the hon. member took to task both our society and the ruling party. It is very easy for someone who will probably not have the opportunity to run the country, and in this regard, I merely remind him that he would be well-advised in the future—if he really believes in the principle he endorsed earlier—to support the efforts made by this government or any future government to better meet the needs of those Canadians who experience hardships and to try to narrow the gap between the rich and the poor. I must remind him, Mr. Speaker, that the Liberal party has always sought, since we are the ones—history proves it—who introduced most of the social measures we now have.

[Mr. Rae.]

Without necessarily being a cure-all they still helped put this country at the forefront of all those which have enacted elaborate social measures. In that respect, he tried to see in Bill C-10 a new philosophy based on providing encouragement for the rich when in fact it is only a readjustment. I will come back later to the objectives the minister wanted to promote when last August, through the Minister of Finance (Mr. Chrétien), she announced amendments to the family allowance program and an upward revision of the guaranteed income supplement.

● (1632)

I would just like to point out in passing a few mistakes that probably crept surreptitiously in the text of the hon. member for Broadview, mistakes having to do with the interpretation he placed on the provisions of Bill C-10 and the effect on the administration of the family allowance program. He insinuated that with those amendments a new corruptive element was being introduced in the system, namely that the Income Tax Act was now going to have an effect on the family allowance program when the department will mail out the annual cheques. He insinuated that this would allow other agencies to take with one hand what has been given with the other. I just want to remind him that it has been provided, whether through the War Veterans Allowances Act, the Unemployment Insurance Act or even public assistance plans, that those programs will not affect the new credit which will not be considered as income, and I think that is fundamental, Mr. Speaker. On the other hand—

**Mr. Orlikow:** How will you make the provinces live up to that?

**Mr. Lachance:** If he wants to speak I would ask the hon. member to do so later. I did not interrupt the hon. member for Broadview so I would ask him to let me speak.

I would like to point out something which may not be a mistake on the part of the hon. member but at least an innuendo that could be misleading for Canadians and especially those who will benefit from these measures, concerns what is commonly called tax discounters. Let me remind you that this system allows potential recipients of any government assistance to get in advance from private agencies the money they expect to collect shortly for a certain percentage. The hon. member mentioned earlier usurious rates—he may correct me if I am wrong—of 40 or 45 per cent, Mr. Speaker. I simply want to stress that point.

**Mr. Orlikow:** Sixty per cent, Mr. Speaker.

**Mr. Lachance:** The hon. member says 60 per cent, Mr. Speaker. I must remind him that the interest rate stipulated in Bill C-56 is 15 per cent or less. Therefore, in that case they are not usurious rates, Mr. Speaker. One could say that 15 per cent is too high and that this measure should be completely