

Family Allowances Act, 1973

the family home in other parts of the country, and thus have reduced our unemployment rate to 11.4 per cent and increased our vacancy rate to 8.2 per cent.

If that is happening in my community, which has been one of the leading communities in terms of economic growth in this country, then what is happening in the economically disadvantaged parts of this country? We all know about Sudbury. Close to 30 per cent of the people who live in Sudbury, Ontario, are unemployed today with little, if any, prospects of employment tomorrow. What does that tell us about family incomes? Our unemployment statistics told us we used to have one million unemployed and we now have one and a half million unemployed. Statistics show that welfare caseloads are going up at an average rate of 10 per cent a month.

What does all that tell us about family incomes? It tells us that family incomes are falling dramatically. The money which parents have to put food on the table for their children has decreased dramatically, and in the midst of that kind of situation, the Minister of National Health and Welfare stands up in this Chamber and brings forward a piece of legislation which provides that in a time of maximum difficulty, we will cut some more money from those families. At the same time, Mr. Speaker, the Minister of Finance (Mr. Lalonde) in his last budget decided to take on average \$300 more out of the pockets of Canadians who are working.

Consumer spending is cut through those kinds of tactics, and as we cut consumer spending, we notice an increase in unemployment, and then an increase in the number of people who have to go on welfare because their unemployment insurance has run out. These are the people who have taken the consequences of what the labour unions were calling before our Committee "perverse fiscal policy". They used "perverse" in many senses because it is a word which has many meanings, but the clearest cut sense in which they meant it is that it is perverse in the sense of being opposite to what it should be.

With a million and a half unemployed Canadians, what Government needs to be doing today is encouraging Canadians to spend, to buy, to create jobs. Instead we have a Government that, through taxation policy, through the six and five cap on pensioners and families, is cutting down on spending. As they do that, Mr. Speaker, they encourage the creation of more unemployed and it is inevitable that a higher and higher proportion of Canadians will be living at or near the poverty line. There are more in that situation today than there were a month ago, and there will be more a month from now than there are today.

In the midst of all that, the Minister of National Health and Welfare says to the Members of this Chamber: Take some more money away from that growing number of Canadians who are forced to live at or near the poverty line.

Mr. Breaux: What nonsense.

Mr. Hawkes: A Member who has not been at a single committee meeting, or heard a single witness, hollers at me across the floor "what nonsense". It is not nonsense.

Mr. Breaux: Read the Bill.

• (1240)

Mr. Hawkes: You read the Bill. You do not have to be in committee. I will give you one piece of the Minister's own testimony: The Government is going to save some money, she said, with each of these pieces of legislation. Not large amounts, but we are going to save some money. Well, if the Bill is designed to save the Government money, where is it coming from if it is not out of the pockets of families? How can the Government save money if it does not come out of the pockets of families?

Mr. Breaux: Why don't you be honest? You just said there are more people at the poverty line—

Mr. Taylor: Stand up and make a speech.

Mr. Hawkes: The Member will have a chance to stand up and try to refute the testimony. The money is coming out of the pockets of families today. Not only that, it is going to come out of the pockets of families way into the future. It is eroding the base of universality. If the Member says he has read the Bill, surely he recognizes at least that much.

In 1985, when we return to indexing, we will do so on a smaller base. If he has any familiarity with the mathematics of compound interest, he should understand that the eroded base will be taking money out of the pockets of families in this country in ever increasing amounts year after year after year. In ten years' time the amount will be enormous; in 20 years' time it will be horrendous. That is the impact of this legislation, which I gather the backbencher on the other side intends to vote for and will be answerable to his constituents.

Mr. Breaux: I always am.

Mr. Hawkes: You know what would have been better, Mr. Speaker? If Members of this House would read an article in *The Financial Post* of December 11, they would see it points out with some clarity that there are three major financial elements to the system currently in place to provide support for families. One element is the Family Allowance, another is the Child Tax Credit, and the third is the income tax deduction. For a family with two children and a taxable income of about \$26,300, those three elements provide more than \$800 for each of those two children. That is taxable income, Mr. Speaker. That means a gross income of somewhere in the neighbourhood of \$35,000.

Now, in a just and humane society surely we would think that the poorest people would get at least as much, a little over \$800 per child. But under the current system, that is not what happens. The poorest segment of Canadian society, those families who do not even have enough income to pay income tax, get less than \$700 per child. Those Canadians with family incomes in the neighbourhood of \$35,000 get over \$800 per child out of our system, and those with not enough income even to pay tax get less than \$700.