

Family Allowances Act, 1973

When the Minister says that a low income family will be better off with the reduction and the added tax credit, that is incorrect. By 1985 they will receive \$81 less. What we need is a more equitable tax system, not a reduction in Family Allowance and an increase in family tax credits. This selective tax credit will lower the family income of families rather than increase it.

I spent a lot of time talking about the Government policy and a bit of time on the Tory policy. It is only fair that I put before Members the policy of the New Democratic Party. The NDP has always supported the principle of universality in social programs and strongly believes that our existing programs should remain intact as a basic right of all Canadians.

The embracing of the philosophy of universality and the rejecting of the negative intent of selectivity are a continuing policy basis of our social programs. It has been part of this Party's history and principles since becoming a Party in 1933, and in fact earlier when J. S. Woodsworth was here as a Labour Member.

The practical argument of classical selectivity used by the present Minister of Finance (Mr. Lalonde) and by the former minister of finance in the Conservative Government is a complete smokescreen. The solution is not to alter the program but to alter the tax system so that it becomes the instrument of equitable distribution.

● (2150)

Mr. D. M. Collenette (York East): Mr. Speaker, I did not anticipate speaking this evening, but I am very glad to participate in this debate, if only to counter some of the arguments made by the Hon. Member for Prince Albert (Mr. Hovdebo), who really was not fully honest about the intent of the measure. I know it was not intentional. It was a case of misguided economics of the New Democratic Party.

As one of the Liberal rank and file to which the Hon. Member made reference a few moments ago, I would like to talk about the red herring in this whole debate which is being put into circulation by the Members of the NDP, that this is a debate about universality or selectivity in social programs. It is nothing of the kind. What we have before us is an Act to amend the Family Allowances Act, one of the pieces of legislation which will give effect to the Government's six and five program which is designed to reduce inflation. It has nothing to do with universality or selectivity.

You have been so lenient and generous, as is your wont, Mr. Speaker, that I thought you would allow me to counter the arguments which have been made by the Hon. Member for Prince Albert, even though that Party has nothing whatsoever to do with the basic principle in this piece of legislation. First, with respect to the universality/selectivity argument, I would like to assure the Hon. Member that if there was any notion that the Liberal Party was going to abandon universality, that notion was put to rest at the Liberal National convention held in Ottawa a few weeks ago. I am speaking very directly to my

hon. friends in the front benches across the way who, I am sure, received the message loud and clear at that time that during a time of terrible economic conditions, the worst in 50 years, the last thing you do is to cut back, in real terms, social benefits for those who need them most.

Some Hon. Members: That is what you are doing with the six and five.

Mr. Collenette: The New Democratic Party is saying that is what we are doing, Mr. Speaker, because they know, but they do not want to admit, that we are right, that if inflation comes down in the 12 month—

Some Hon. Members: If, if, if.

Mr. Collenette: Let me deal with the "ifs". If inflation comes down in the 12 month period to 6 per cent, then, obviously there is no net loss to those recipients of any of these social benefits which are being capped. The NDP does not believe inflation is coming down because it has a vested interest in inflation continuing in this country. That is why they are arguing. This is the inflationary Party, when you listen to their friends in the Canadian Labour Congress, when you listen to their Party Members, when you listen to their speeches in debate in this House. They do not want inflation to go down because the NDP revels in an inflated society. Why? Because they have no conception of real economics, about the true economic forces which move the country.

In any event, Mr. Speaker, I do not want to vex these poor souls opposite who are so misguided. The fact is, the Liberal Party will not abandon universality in social programs. Absolutely. That message has been received loud and clear.

Let me speak about universality in some of the social programs. When we talk about universality in old age pensions or medicare, it is totally different from universality in family benefits. They are two types of programs, I submit, and perhaps not all my colleagues agree with me. I think an argument could be made for more targeting on Family Allowances, but on old age pensions, on medicare, there is no way. A few years ago, Mr. Speaker, we introduced a Child Tax Credit which was a degree of targeting.

The Acting Speaker (Mr. Corbin): I regret to interrupt the Hon. Member but the noise level has gone up to the point where the Chair has difficulty hearing the Hon. Member for York East (Mr. Collenette).

Mr. Collenette: I know full well, Mr. Speaker, what I am saying because, unlike the Members opposite, I have actually thought about this. A few years ago, when we instituted the Child Tax Credit, that was a degree of targeting, of helping certain people who needed help the most, and that was consistent with the Liberal tradition, but the Family Allowances program remained universal. There was just some flexibility in its application.

Some Hon. Members: Now you are thinking of changing it.