

Family Allowances Act, 1973

United States and in Sweden. Tell me of one industrialized nation where unemployment has not increased.

Mr. Crosby: Austria.

● (1610)

Mr. Mackasey: Tell me of one industrialized nation that has not been concerned about its ability to maintain a social program and keep its unemployment as low as possible while remaining viable and competitive. Each one has to vary the theme.

What our Party has opted for, since this is a federal system with limited control over the various levers for which the Province also have responsibility, is a six and five program that says, in effect, that we have a moral obligation to the less fortunate. I say to those who believe that the deficit can be eliminated or reduced dramatically by eliminating Family Allowances or the GIS because no one needs it anymore, that we will be able to come out of this recession relatively well inside of a few years. As our customers' recovery begins, we will be able to tell them that our prices reflect a very nominal rate of inflation. Perhaps it will be 5 per cent, 6 per cent or even less. We will be able to show everyone that the unique characteristics of Canada's social problems are intact. We can say that they are still based on universality and not on a means test.

We recognize that the Family Allowance cheque is the only one that comes from the Government in the name of the mother. It is the only cheque that comes from the Government that is totally in her control so that she can do what is best for her children. According to Mackenzie King, it was in recognition of her contribution during the war.

We will be able to turn to the senior citizens and say that their old age pensions will remain intact. It will remain universal. There will be no public servants scrutinizing their bank books or looking for money under their beds. As well, if that pension is insufficient, the GIS will still be in place.

We can say the same thing about unemployment insurance. I can remember when unemployment insurance was on trial in this country and how Members opposite, day after day, would rise to talk about the generous UIC program and imply that everyone on UIC was a lazy welfare bum. We do not hear that today. Unemployment insurance has met its test. It is Liberal philosophy, and that is why I am a Liberal and not a Tory.

I hope that this debate might illustrate the rather simplistic solution being advanced by the Opposition. It is their argument that we can somehow deal with inflation by eliminating waste and that we can deal with inflation by returning to the old fashioned laissez-faire principles of Adam Smith.

I want to repeat that we are fortunate to have in our Minister of National Health and Welfare a person who, by her conviction and dedication, is prepared to stand up in Cabinet week after week and tell her colleagues, on the basis of facts and figures, that there are ways and means of adhering to the six and five program. There are ways and means of allocating sacrifice in a democracy that does not discriminate against

those least able to protect themselves. That is the best spirit of this Bill, and I wish we would get on with it.

The Acting Speaker (Mr. Blaker): Comments, questions and answers.

Mr. Keeper: Mr. Speaker, I would ask the Hon. Member for Lincoln (Mr. Mackasey) if he is aware that a recent report by the Canadian Council on Social Development has indicated that for the first time since the early 1970s we have had a rise in family poverty. Is this the time when we want to cap the indexation of Family Allowances?

This rise in family poverty is quite evidently related to the fact that we have a depression level of unemployment in this country today. While the Hon. Member speaks a good line on inflation, does he realize the importance of putting the priority on employment so that people may have adequate incomes? Would he refer to the Family Allowance question as well?

Mr. Mackasey: Mr. Speaker, I appreciate the question from the Hon. Member, who is a close friend of mine and asks his question quite sincerely. As far as I am concerned, the number one issue in this country today is unemployment. I know that the Liberal caucus thinks that, the Party thinks that; I know that the Prime Minister (Mr. Trudeau) believes that and the Minister of Finance (Mr. Lalonde) believes that. No doubt that will be reflected in his budget. I agree with the hon. gentleman in that respect.

I agonize, as he does, that no nation, certainly no democratic nation, has been able to develop a way of curtailing inflation without at the same time, impeding growth and creating unemployment. I am not sure if it was Phillips Robotyn, who straightened out the mess in New York some years ago, and who said that democracy works exceptionally well in prosperous times but its real test comes in difficult times when it has to apportion sacrifice and determine who bears the brunt of the battle against inflation. Inevitably, it is the workers. That is why we try to cushion the negative impact with social policies such as unemployment insurance.

I suffer along with the Hon. Member when he talks about unemployment. I appreciate what he is saying. I say quite categorically that the number one problem facing the nation today is unemployment. At the time we brought in the six and five program it was inflation. Now that we have inflation directed in a downward slope to where we should be well below 5 per cent within the year—barring something quite unforeseen—we can devote all our attention to unemployment. Hopefully, we will not create inflation again with job stimulation. The difficult job which the Minister of Finance faces is to stimulate the economy without rekindling inflation.

With respect to the Hon. Member's other point, of course this is the time in history when those on the bottom income scale need more assistance than ever before. That is obvious because inflation does not wreak its havoc equally. Those who had money in the bank a year ago and who were earning 19 per cent and 20 per cent interest were the beneficiaries of inflation. The businessman, the home owner, the home builder, the small-businessman and the farmer suffered from inflation.