

published in the December 11 issue of *The Financial Post* and is a very interesting article. This is directly related to the Bill C-132 debate and I hope that the Government will study this proposal seriously. He proposes more fundamental reforms in the tax transfer treatment of dependent children and points out that, and I quote:

A child in a middle-income family generates greater total benefits than a child in a low-income family—

This is a result of our regressive child tax exemption, the Child Tax Credit and the Family Allowances system, and he gives figures in support. He says that the net benefits rise again for upper income to high-income families, which is just the reverse of the way such a program should work.

A new scheme which he proposes would begin by abolishing both the Child Tax Exemption and the Child Tax Credit. It would raise Family Allowance payments by 145 per cent to a 1982 level of \$65.93 monthly or \$791 annually per child, and maintain the universal basis of the allowance.

The taxability of Family Allowance would be replaced by a tax-recovery device in the federal income tax to recover increasing portions of the Family Allowance at higher family incomes.

I do not want to take the time to read more from this article, Mr. Speaker, but I would refer Members to it and remind them also that we in this Party have called for a complete review of social programs, both tax exemptions and income support programs, as they apply to families.

I made a statement in the House recently I, on behalf of my Party, in which I criticized the thoughtless and prejudiced statements of the Minister responsible for the Status of Women when she advocated doing away with spousal tax exemptions. At that time we proposed a complete review of programs affecting families, with emphasis particularly on increasing the Family Allowance as proposed in this article to which I have just referred.

We believe it is very unfortunate that Members in this House, particularly the speakers on this side of the House, have had to take so much time to oppose a Bill which should never have been introduced in the first place. We could have used this time much more profitably and enlisted the support of many groups across Canada much more profitably to debate a progressive and major tax reform that would benefit families and also to look at social programs and policies in a much more comprehensive way. We believe that there are ways that should be instituted now to use present expenditures much more effectively and equitably. We believe the time for reform is long overdue. We also must look at a new version of the whole question of income support programs and guaranteed income. There is an urgent need for a major review of social programs, and we join with Canadians in asking for this review. We will be pleased to participate fully in such a review.

As my colleague just mentioned, the nature and fabric of family structure in Canada is rapidly changing. There has been a great increase in single-parent families. I will just quote quickly the 1981 census figures which are very dramatic. The

Family Allowances Act, 1973

number of children under 15 years of age has decreased by 7 per cent while the number of persons over 65 years of age has increased by 17.9 per cent. The number of divorced persons has increased by 65 per cent, which affects half a million children. This means a tremendous increase in the number of single-parent families. We also know that there is a tremendous increase in the number of families with two working parents, and we have a new pattern of extended families developing in Canada. We must look at our policies and income support programs with these changes in mind.

Poverty is on the increase. It is increasing because of Bills such as the one that is before us today. It has increased because of Liberal economic policies which have deliberately increased unemployment. Increasing unemployment to control inflation is a Liberal policy with a very irrational goal. It has also increased because of the kind of restraint programs that have been brought in by the Liberal government in all of its six and five Bills.

We know also, from a study of demographic projections, that our total population in Canada is changing markedly and will change more in the next ten or twenty years, with a marked increase in the aged population and a decrease in the child population. We are rapidly reaching a position where we will almost have a zero birth rate in Canada. It is very important that we do everything possible to strengthen families, to protect them against the ravages of inflation, to provide services and financial support for parents so that they can choose the best way, for them, to raise their children, and to give equal opportunity of employment at decent wages, with universal child care. It is very important that we give the children of Canada the very best possible start in life that we can.

Bill C-132, which takes away full indexing on Family Allowance cheques, denies these goals. It undermines an absolutely essential universal family support program which Canadians have established as a right which they expect to be fully maintained by their elected Government. The Liberal Government, through Bill C-132, has betrayed this trust.

Mr. Hawkes: Mr. Speaker, one of the points that I have mentioned in several speeches is the fact that the NDP stood in the House in December, 1979 and defeated a budget that was judged the fairest to poor people in this country in the decade of the seventies. I would like to know whether they did that without understanding that it was a budget which was very supportive of families, or whether in fact they are saying one thing and acting in a different fashion.

Mrs. Mitchell: Mr. Speaker, I am not sure that this is relevant to Bill C-132, but I would be very glad to give a number of reasons why we opposed the Conservative budget. We did it on principle because there were a number of items in it that were very much contrary to things that we believe in, including doing away with PetroCan. If my memory serves me right, this was a proposal at that time which even the Conservative Party changed their mind on.