

"Bill C-132, an Act to amend the Family Allowances Act, 1973, be not now read a second time but that it be read a second time this day six months hence".

This is a delay of six months, Mr. Speaker. That is all we are asking for and that is all the backbenchers have to do to keep faith with the families of Canada, the pensioners, and those that need some help from this Parliament.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am pleased to be taking part in the debate this afternoon. I feel that Bill C-132 should be seen as part of the anti-inflation program announced by the Government in June. The program includes restricting salary increases of public servants to 6 per cent in 1983 and 5 per cent in 1984 and capping indexation of payments such as Family Allowances and Old Age Security Pensions to 6 and 5 per cent. Mr. Speaker, I think it is strange that a party like the Progressive Conservative Party should react the way it does. It is understandable that the New Democratic Party should speak with conviction about such matters, because before and after and during the month of June, according to them there was nothing the Government could do to try and fight inflation. As you know, Mr. Speaker, inflationary trends in modern society are partly due to psychological factors. That is why it is very important that the central Government should take action and implement measures that will have a psychological impact. Much of the 6 and 5 program is, in fact, psychological, because people are saying that the Federal Government is taking the initiative in an area over which it has direct control by restricting salary increases of its employees to 6 and 5 per cent. Salaries of Members of the House of Commons, Senators, and staff of the House and the Senate were limited right away to increases of 6 per cent this year and 5 per cent next year. Although one of the Opposition parties is speaking with the courage of its convictions, because according to them, the Government should not have acted the way it did, the Official Opposition, the Progressive Conservative Party, is being inconsistent, because according to them, it is absolutely necessary to restrict public spending, starting with federal expenditures and including all social payments, because a large part of the federal Budget, I think it is about 20 per cent, goes to direct payments to individuals. However, when it comes to concrete measures, the Progressive Conservatives object, and tell all kinds of horror stories about this particular Bill, as they did about the Bill we have been debating for almost a week because the Government intends to restrict increases in the basic pension but not the Supplement to 6 and 5 per cent, and the same applies here to Family Allowances. Well, Mr. Speaker, I would like to say from the start that most of the stories told by the Official Opposition with respect to this Bill have no basis in fact, because what the Government is doing with Bill C-132 is to restrict increases in Family Allowances, not by cutting allowances but by restricting the increase to 6 per cent as of January 1983 and 5 per cent as of January 1984, instead of normal indexation which

Family Allowances Act, 1973

would probably have been a bit higher this year, since we are just coming out of an inflationary period when the inflation rate, calculated on an annual basis, was over 12 per cent.

Mr. Speaker, Hon. Members will have to admit that if they read the Bill and read it intelligently, they will see that families receiving the Child Tax Credit will receive a special increase of \$50, to compensate for the capping of indexation, since these families are particularly dependent on the tax credit. In other words, Mr. Speaker, those who can afford to cut their spending will make sacrifices in these difficult times, for, as I said earlier, it is important to take some action with a psychological impact to convince Canadians that through self-restraint, following the lead of the federal Government, we could together check and fight the inflationary pressures that we have experienced for over a year now, inflationary pressures which are both an economic and a social threat to our society, because inflation causes divisions among our economic groups and social classes and is an evil that we must eradicate. So is this unfair? Since the child tax credit only applies to families with a taxable income of \$26,000 or less, only families with taxable incomes over that amount will be affected by this measure.

I said earlier that it was the taxable income, the net family income, or again the combined family income. Only those families will be adversely affected by the Bill, because the others which are entitled to the Child Tax Credit will receive a special \$50 allowance to offset the limit on indexation. Therefore, Mr. Speaker, I think this is a fair, liberal and equitable measure, even though it does provide for certain restrictions applicable at this time to the Federal Government policies and programs. I would suggest, Mr. Speaker, that it is dishonest and almost hypocritical coming from a party which has maintained a traditional position through the years to say, as they did again this year in the budget debate, that a limit must absolutely be set on the expenditures of the Federal Government because the country is going bankrupt. No sooner has the Government taken the lead to do just that, through a fair measure such as Bill C-132, they object strongly and say that it is an unfair measure which appeals to the emotions of people.

Mr. Speaker, I think Canadians are intelligent enough to grasp the dishonesty and the lack of conviction implied in such a stand and to realize also that it is truly the kind of red herring that is deliberately meant to confuse and deceive them. Since I am referring to Family Allowances, Mr. Speaker, I have read with interest the speech made by the Minister of National Health and Welfare (Mrs. Bégin) and I am pleased to see that in her speech she raised the general issue of Family Allowances as well as the more comprehensive question of family assistance, she also mentioned the importance of the system, which has sometimes a negative aspect as far as social justice and personal deductions for dependents are concerned. The universality of Family Allowances is quite often discussed.