

*Family Allowances Act*

coalition of people coming forward fighting for our universal programs and fighting for the family allowances.

**Mr. Young:** Thank you, Mr. Speaker. The Hon. Member for Broadview-Greenwood (Ms. McDonald) may be interested to know that I met with a group of single-parent families in Kitchener several weeks ago when they were expressing very grave concerns to me about the impact of this budget measure on the incomes of those families. They pointed out to me that in single-parent families there has been an increase in poverty in the last five years of some 25 per cent. They also pointed out to me that this is not just a question that affects women and children but one that affects society as a whole. They said to me that if the federal Government gets away with reducing that income to those families, the needs will still be there and other levels of Government will have to pick up that need. They were projecting that since provincial Governments, which are primarily Conservative also, are cutting back on fiscal expenditures, in all likelihood the municipal tax base will be required to pick up that need, which could mean an increase in property taxes at the municipal level.

I wonder if the Hon. Member for Broadview-Greenwood would like to comment on that, or if she has heard similar expressions.

**Ms. McDonald:** Thank you, Mr. Speaker. Of course one thing that can happen when the federal Government cuts back is that these needs are pushed down to the provincial and the municipal Governments and they may or may not choose to meet them. The problem the Hon. Member raises, and I think he put it optimistically, was that they would choose to meet those needs at the cost of raising taxes, in other words that the needs would have to be met and they would simply be paid for in a different fashion.

The other alternative is much worse, and that is, that the needs will not be met and people will go hungry, people at the bottom level, and they are going to be hurt as well because they are affected by the tax increases and the reduction in the family allowance and they will simply go without. That is the dim prospect and that is a very decided possibility.

**Mr. Maurice Foster (Algoma)** Mr. Speaker, I am just delighted to have the opportunity to speak on Bill C-70, the family allowances amendments Bill, because I think that this Bill and the deindexation of the family allowances is part of the over-all scheme and plan which we saw in the Budget presented by the Minister of Finance (Mr. Wilson) last spring. Perhaps we did not realize at the time all of the problems that the Government was creating for municipalities and others across the country through the collapse of the Canadian Commercial Bank, but clearly that Budget was designed to unleash on Canadians a veritable rain shower of taxes, not massive taxes for any one individual at any one place but taxes which will be spread over the next 12 months or so. The deindexation of the family allowance is part of that general increase in taxation across the broad lower and middle-income families of this country while at the same time reducing the benefits made available to them.

There, of course, was the massive battle that took place last spring over the issue of the deindexation of the old age pensions. Family allowance is a similar payment made to families and the same thrust of the Budget applies to this benefit which in fact, for a family of four will start to knit in in 1986 and cost some \$22 annually.

During that year we are looking at a general taking away of benefits, especially to lower and middle-income families of some \$20 million, but by 1986-1987, the following fiscal year, it will be \$90 million and by 1990-1991 it will be \$400 million. We can see how this reasonably small reduction in benefits the first year continues to grow each year until we are talking about almost half a billion dollars being taken away from middle and lower-income families. The great concern of people across the country is that it will be very harmful to take \$400 million in family allowances during that period of time.

● (1600)

In my constituency the area of Manitoulin has one of the lowest average incomes in the Province of Ontario. Of course, this reduction will be most harmful to low-income families that in many cases live in northern and rural areas of the country. This reduction in benefits due to a deindexation of the family allowance is a harmful and unwarranted attack on Canadians.

There is some concern because the promises made by the Prime Minister (Mr. Mulroney) during the 1984 election campaign were so strong. He promised that he would maintain the entire social security system of the country and that he would maintain full indexation for that system. I would like to quote from the speech the Minister of National Health and Welfare (Mr. Epp) made in the House last November 15. I assume this speech was made in response to the Speech from the Throne, and it appears on page 277 of *Hansard* for this Parliament. The Minister of National Health and Welfare said:

It is my role as Minister of National Health and Welfare to put forward signals and initiatives which will strengthen the role of the family and give it more prominence in society than I feel it has been given before.

How can the Minister of National Health and Welfare make that speech and then, during the budget debate last May 23, support the cut-backs which took place through the deindexation of the old age security pensions and family allowances?

A week or so before that statement was made by the Minister of National Health and Welfare last November 15, we heard the Speech from the Throne of November 5, 1984. The Speech reads in part:

My government has as a high priority measures to support and strengthen the Canadian family, which is the cornerstone of our society. The need for accessible and affordable child care has in recent years come to the forefront of the social agenda facing Canada. In an effort to reach a national consensus on options in this area, you will be asked to establish a parliamentary task force on the future of child care in Canada.

We see a Government which has made maximum use of rhetoric, but after the decisions have been made in Cabinet, we see a Government that comes down against the average family. As I said, this is part of an over-all pattern of taxation which I