

HOUSE OF COMMONS

Thursday, February 10, 1983

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[English]

FAMILY ALLOWANCES ACT, 1973

MEASURE TO LIMIT INDEXATION

Hon. Monique Bégin (Minister of National Health and Welfare) moved that Bill C-132, an Act to amend the Family Allowances Act, 1973, be read the third time and do pass.

She said: Mr. Speaker, Bill C-132, which is in front of us today for a third and final reading, contains only one provision, which is to limit to 6 per cent in 1983 and 5 per cent in 1984 the Family Allowances indexation. It is not a difficult amendment to explain in terms of the Family Allowances program, but I wish to emphasize that it should be viewed in the context of the complete six and five program.

The measures announced in the budget of June, 1982, which related to the six and five program, have only one specific purpose, which is to bring down inflation to 6 per cent and to 5 per cent. That is the objective of Bill C-132. I insist on that because many distortions have been nurtured during the debate of this Bill. This means, technically, that all Family Allowances which were at \$26.91 per month in December last, except in Quebec and Alberta where they vary the federal rate, will be \$28.52 in 1983. Next year, most probably, if inflation remains at 5 per cent or higher, it will be \$29.95. So there is an increase in each of the years, but it is less of an increase than anticipated.

There is something very deeply dishonest in not acknowledging that this Bill caps Family Allowances, but the next Bill on the Order Paper, Bill C-139, a tax Bill, increases by \$50 the Child Tax Credit on top of the full indexation, to be paid to mothers this spring. Those in need, therefore, and in this case I must say perhaps more than those really in need, namely two-thirds of all the mothers in Canada, those who get a partial or total Child Tax Credit, will receive an additional full \$50 to make up for the loss in indexation of Family Allowances.

This I want to make very clear. It is not written in this Bill because to achieve that we have to change another Act, the Income Tax Act. That is why this Bill deals only with one Act, as per the custom. The next Bill, Bill C-139, gives the additional special \$50 to cover the relative loss of indexation for the two coming years, 1983 and 1984.

Speaking of the Child Tax Credit, I believe Hon. Members, and surely all mothers, will be interested in certain information

I have just received from the National Anti-Poverty Organization, usually referred to as NAPO. NAPO is almost the only national organization still in existence which represents the lower income people of our society and, of course, many of them are women, particularly mothers. As some Hon. Members may recall, I asked the representatives of NAPO at our last meeting what the reaction of their members would be to the possibility of delivering the Child Tax Credit monthly, or four times a year, instead of annually as we do right now.

● (1110)

When the program was created, many professionals, especially in the field of social services, joined the ranks of many Members of the House of Commons in insisting on the Child Tax Credit, which at that time was \$200 a year, being distributed on a monthly basis. Both I and the Government resisted that because it seemed to me that one of the characteristics of poverty is never being able to get out of it because of daily expenditures eroding any savings that can be made.

Once a year a big amount of money, originally \$200 for one child, possibly \$600 for three children, which now means close to \$1,000 non-taxable, is exactly what a mother living in poverty can never reach. I was told, and one just has to read the speeches at the time in this House, that they would abuse that money. All sorts of innuendos or direct accusations, I must say, were made. They would drink it away, etc. They would waste it. But we know mothers and they have used that money for special needs in their budget. It could have been that some would say they will buy a bicycle for the child. Well, good, that is exactly what the purpose is. It is for the good, the well-being, of children in the family.

I thought, Mr. Speaker, since the Child Tax Credit is now a much bigger sum of money, almost double what it was, and since times are tougher economically, what would mothers in need now prefer? I apologize to Canadian mothers who are not at the lower end of the scale for not having asked them through a national survey, but I thought I should start with those most in need who I think are a priority amongst the priorities. I received information from NAPO, which they made public very recently, and it gives me the clear preference of families saying that they, of course, want to keep the Child Tax Credit but they want to keep it annually. They do not want, for different reasons explained to me, to see it distributed over several payments a year.

So I just want to inform Members that I will therefore not develop any plan for distributing the Child Tax Credit differently. At a later date we will see if any new need develops, but