

*Family Allowances*

ment. I think it is disgraceful that the minister should say that poor people are not speaking loudly enough.

In 1968 this government put forward programs providing grants to old peoples' groups and to the Company of Young Canadians to speak up for old people, to organize them so that they could speak up. Then the same government took those grants away. When the voices were loud they cut the mikes. As one who had his mike cut today, I appreciate the difficulties that can cause. The mikes have been taken away from the old people of this country and now the minister is saying, "Speak up, I cannot hear you." All she has to do is put the mike in again and she will hear them loud and clear.

Apart from the general concerns we have about the legislation, I suggest if this government were serious about redistributing income and opportunities there would be a number of things it could do not only to the tax system but also in terms of its economic policy. If it were serious about the distribution of income it would not propose to cut back on unemployment benefits the way it has done. Cutting back on unemployment benefits means cutting back on the incomes of those working people who are temporarily out of the labour market, and has the direct effect of reducing incomes. It has a negative effect on the distribution of income.

If the government was serious about creating greater equality between men and women there would have been serious affirmative action programs in the federal market place where something could be done for the disadvantaged. Nothing has been forthcoming, however. The legislation is there that would enable the government to do something, and we are waiting for action, but nothing has been put forward as yet. The government could have put forward economic policies with respect to the really powerful people in our community to see that their actions would create employment rather than unemployment. It could have acted on the Inco cutbacks a year ago. It could have been serious about the number of plant closures in Ontario in this past year. It could have done something about the fact that ours is a branch plant economy, and it could have done something about research and development and an industrial strategy. None of these things have been done.

It is the highest form of hypocrisy for the government members to come to us and say they have discovered the idea of redistribution of income. They are not interested in that; they are only interested in saving money on certain kinds of benefits such as family allowances, and then producing this tax credit scheme. Why stop with the family benefits? Why not move ahead on all the other tax credit suggestions that have been forthcoming from this side of the House?

Finally, Mr. Speaker, there are two problems that I want to raise with respect to the legislation, which I think are important. The first matter has been raised by the hon. member for Winnipeg North Centre and has been partially answered by the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs. The problem is that any attempt by the federal government to redistribute income may be sabotaged by provincial welfare legislation. This is what makes the principle of redistribution so difficult to attain in this country.

From her work in her own constituency I am sure the minister is aware that with the plethora of programs we have—the disability pension, workmen's compensation, family assistance plans, provincial disability legislation—what frequently happens to people on welfare is that they get bogged down with regulations. If they apply for a disability pension under the Canada disability plan they have to ask themselves if it is worth all the problems and difficulties involved when the net result will be no increase in their income.

Before the minister can come to us and claim that this bill will have a redistributive effect, we must know which provincial legislatures will go along with it. Without that assurance it will be difficult to convince anyone that this is anything more than an accounting scheme which gives money to the provincial governments and nothing to the people involved.

Last year this government passed Bill C-46 which deals with those marvellous individuals in the private market who make a living from providing loans to people about to receive income tax refunds. I find it extraordinary that a bill provides for a 60 per cent rate of interest over a year for people who rely on income tax refunds and need the money on a short-term basis. I think this is extraordinary. It is a tribute to the usurious members of our community, and I put it to the minister that this bill was passed before this new legislation was contemplated. I suggest that in this way we create an entirely new market for income tax discounters which was not contemplated at the time the legislation was passed. This new market of some 700,000 individuals means that all the income tax discounters will be able to prey on people receiving a large lump sum payment in March, April or May next year. That will take place at a time when there is no clear indication from the government which department will enforce the provisions of Bill C-46. In view of the cutbacks announced by the government, it is clear that there will not be enough bureaucrats to enforce the regulations under Bill C-46.

● (1622)

The fact that the payment is being made in a lump sum is an invitation to the income tax discounters to take advantage of the women and men who are living at the bottom end of our economic system. I am concerned about the effect this will have on the people in my riding. I am sure the minister, too, is concerned about people in her riding, and I know that my fellow members on this side of the House are concerned as well. I would much prefer to see in place a system which would allow payment to be made over a period in such a way that people would not be reliant on the income tax discounters for their bread and butter or refrigerator. In our opinion, these discounters should not exist.

I say frankly that it will be with considerable reluctance that I will vote in principle for this bill. The reasons are simple. First, I do not particularly like to see a reduction in the universal payment of the family allowance, and the fact is it will be reduced by some \$6 or \$8 depending on the cut-off. Second, in terms of general principle, I am concerned that this is not a significant redistribution of income but is a redistribu-