

Family Allowances Act, 1973

the full benefit of a child tax credit. Hence, families are going to begin to lose benefits under the child tax credit at that income level.

I will now deal with the import of these changes and I hope Hon. Members will listen carefully. The result of these changes is that between January 1986 and April 1987, all families in the country, regardless of income, will have their family allowances reduced by approximately \$30. This short-term loss will be significant in and of itself but it will not begin to compare with the combined over-all effects of the proposed changes.

The Government will choose to proceed with its changes despite opposition from individual families. We have heard of the petition campaign that was launched by the Liberal Party and the New Democratic Party. As well, I must admit that there have been some back-bench Conservative MPs who have had the courage to present petitions from their own constituents outlining opposition to the family allowance deindexation. Despite all of that, despite individual families showing displeasure at the Government's intentions and despite the professional service groups that are opposed to this Bill, a net gain will only occur to those families with incomes of less than \$10,000 per year. The cumulative total gain after four years for those families will be \$76. More important, all families with incomes of more than \$10,000 will experience a net loss of income. That is because Conservative back-bench MPs are not taking into account when the family allowance will be deindexed and when the child tax credit will impact on families. I will not even deal with the child tax exemptions which, I believe, properly belong in Bill C-84.

Another argument has been running through the minds of Conservative Members in this debate. They claim that the result of the changes will be a fairer distribution of benefits or that a greater proportion of benefits will go to families with the lowest incomes. If that had been the intent of the Bill and if that had been the intent of the Government when this debate was launched some 15 to 16 months ago, the Government could have brought forward a Bill that would have had the agreement of all three political Parties. Instead, we ended up with the worst of both worlds.

I believe there has been a betrayal by the Government of the trust placed in it by the electorate on September 4, 1984. The people evidently trusted the Conservative Party during the election campaign of 1984 and the few months following the election. They believed the Government when it said that universality was a sacred trust not to be tampered with. They believed the Minister of National Health and Welfare (Mr. Epp) when he indicated in the social policy review that any savings which would be found in these programs would be redirected to those families who need it the most as opposed to committing it to deficit reduction. In the Bill before us we see the full truth of the Conservative social policy. In effect, what we have is a social policy which is Robin Hood in reverse, and I have used that phrase before in this debate.

• (1610)

In a very technical way let me speak to Conservative Members of Parliament who have used that second point in their speeches, that is to say that there will be a fair distribution of benefits. Statistics Canada states that some 78 per cent of Canadians live in urban centres. In its annual review of poverty published in May of 1985—just 10 months ago—the National Council on Welfare indicated that a family of four living in a moderate to large urban centre with a family income of less than \$19,000 a year would be living in poverty. I ask Hon. Members to bear that in mind because the argument here is that this Bill will aid those families who need it the most. The net effect of the proposed changes on families with incomes of less than \$20,000 is that they will experience a loss of child benefits and, subsequently, a loss in their capacity to provide an adequate level of food, clothing and shelter for their children. Further, it is generally accepted that the major beneficiary of the child benefit programs are well-to-do families. The effect of deindexation will have the most negative effect on lower income families. As a result of this Bill's passage, and I have no doubt that it will be passed, in excess of \$16 million will be withheld from families living below the poverty line. I think that is a shocking indictment of a Conservative Government's social policy. What is more shocking is the temerity of the back-bench MPs who stand in their place in the House and foster the myth that the social legislation which is before Parliament and the Canadian public is actually going to help those families who need help the most.

The average family income in 1984 was \$35,853. The proposed deindexation will have the effect of saving an estimated \$49.5 million in 1986. In other words, that is contrary to what the Minister of Finance (Mr. Wilson) promised at the beginning of the debate on universality some 15 months ago. It is also contrary to what the Prime Minister (Mr. Mulroney) indicated at that time. More damning is the fact that when the Minister of National Health and Welfare assumed the mantle of his office he did so to represent not only his own constituents but those in our society who need help the most. The Hon. Member opposite from Edmonton laughs. If politicians are to be believed in this world, then they should at least live up to the campaign promises that they make. That is why the Canadian public no longer trusts the Government. The Government continually breaks its promises.

Mr. Kilgour: Get on with your speech.

Mr. Frith: The Hon. Member does not want to hear the truth. He raised a technical question with the Hon. Member for Vancouver East and now that he has had the benefit of a technical response he wants to lapse back into some general philosophical discussion.

The point is that the Minister of Health promised the Canadian public 15 months ago that any moneys found—any savings as a result of the review of the child benefits program—would never be used to reduce the size of the federal deficit. Yet, that is exactly what occurred six months later, when, on May 23, the Minister of Finance introduced a