

Family Allowances Act, 1973

speech. But is he aware that his thesis is absolutely false in that the projected rate of inflation toward the end of 1984 is 4.8 per cent, with which we are very pleased? That would be just below 5 per cent, which means that no mother on welfare or otherwise would lose a penny. I know it is difficult to make him understand our social programs; he has never spoken on that in the time he has been in the House, but I would just like him to tell us if he knew that, because he should. Those are the facts.

Mr. Malone: Mr. Speaker, I have some experience with the Government's projection of deficits. If the Government is so comfortable with the projected rate of inflation next year, then I am quite comfortable in asking why the Government does not accept the amendment of the Hon. Member for Calgary West (Mr. Hawkes) that it be just a one-year program. The capping of indexation would be relative to inflation and there would be no problem because it would simply go up by that 5 per cent, if in fact we can trust the Government's prediction.

● (1700)

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, this afternoon we have heard everything the Opposition knows about defence and Mirabel. I think we should now get to the question being debated in the House this afternoon, and that is Bill C-152. What we have to do is look at this Bill in the proper perspective. This is not a Bill that we apply against defence spending or any other question that—

Mr. Anguish: Mr. Speaker, I rise on a point of order. I would like to bring to the attention of this House, and to the Hon. Member, that we are not debating Bill C-152 here this afternoon, if that is what he has come into the House to debate. We are actually debating Bill C-132, and he should be speaking to that Bill, not Bill C-152.

Mr. MacLellan: Mr. Speaker, it is encouraging that the Hon. Member does know something else. I imagine if we give him one more chance he will exhaust everything he knows.

I think it is important to look at this Bill in perspective; why the six and five program was brought into play. The reason was to reduce inflation. The way to reduce inflation is to have cut-backs on spending and wages across the country. It was important for the Government to set an example. Of course it is important that those who cannot afford to bear reduced incomes not be hurt. I think this has been taken into consideration with respect to Bill C-132.

The Government has chosen to exercise a concerted national effort to lead Canada from a situation of world-wide recession to a realistic world of recovery. To make this or any national effort work, the full thrust of all Canadians is required. Each segment of our society must co-operate, whether it is the elected representatives, public servants, or even, unfortunately in this case, the pensioners, families and children, who are involved as well.

This is not a Bill that is going to be a detriment to families, to single parent families, children, or anyone in this country. I think it is an excellent example of how to keep the six and five

program alive while maintaining the incomes of those who most need the income, and need assistance in this country.

It is difficult for anyone, individual or corporate, to give up a benefit to which they have become accustomed, but it is only through limited involvement of each segment of the Canadian population that the six and five program will attack and lower the inflation rate. The problem is universal.

Canadians are being called upon to sacrifice a little in the short term in order to ensure Canada's economic recovery and stability. We must pitch in to achieve this goal. The economy of this country is far too important to be taken lightly, as it is taken by the Opposition. There is a common denominator in this battle. We all, as individuals, unfortunately have to tighten our belts and redistribute the cash flow in response to economic conditions. The Government is doing the same. We are attempting to implement this measure in a way that is least injurious to our basic quality of life. The Government likewise is attempting to redistribute its budget in a way that maintains the basic lifestyle of its citizens, particularly those who are most unable to protect themselves against changes in an economic climate over which they have little or no control.

There are armchair philosophers and prophets of doom and gloom sitting in the Opposition who would criticize any Government program on the basis of partisan politics, but can offer no constructive alternatives. They have indicated that Bill C-132 will take food from the mouths of children and jeopardize their chances of a university education. The simple facts of this straightforward Bill negate this type of sensationalism.

The current Family Allowances Act provides an annual escalation of allowances in January of each year on the basis of increases in the Canadian Price Index. The current 1982 rate is \$26.91 per child per month. Under this Bill the amount as of January 1983 will rise to \$28.52 a month, and not more than \$29.95 a month in January of 1984. Based on the estimate that the average rate of inflation will fall to about 6 per cent—let us hope it will go lower but say 6 per cent—by the end of 1984 the reduction will be approximately \$16.80 per child for the year 1983 and \$28.32 per child for 1984, a total reduction of \$45 per child for the two year period.

The difference between the expected increases in the Family Allowances and the actual increases due to the six and five program capping is between \$1.40 and \$1.50 per month. As with all aspects of the six and five, there will be increases, so no one will be treading water at the 1982 rate. That is, there will still be increases of 6 per cent and 5 per cent in 1983 and 1984 respectively, even though they will not be at the rate of inflation at the particular time. That is what we see on the one hand; the reduction of \$45 per child approximately over the two year period.

On the other hand, just as the indexing of old age pensions protects those most in need of benefits, the seniors who did not have sufficient income to handle this kind of reduction, the Government instituted an indexed increase in the Guaranteed Income Supplement.