

*Family Allowances Act, 1973*

to the people it represents and that any reduction, even \$1 per month, would be keenly felt. For those who need these monthly payments just to get by, the increase in the Child Tax Credit, while welcome, will be received in a lump sum at the end of the year and will not help them to meet their monthly expenses. The reduction in the Family Allowance benefit will hurt these people very much. The following testimony appeared:

We also need to keep in mind the number of families who are separated, not officially on paper, so again for those mothers who are living on their own with their children, may have no maintenance payments and any money they get may be very sporadic, and they are in great difficulty because they do not classify for any other social benefits because on paper they are married and thereby should be receiving part of the father's income and, indeed, may not be.

Some further testimony reads:

I guess what I could basically talk about is a case example based on a single female self-support parent with two children under the ages of ten who lives basically on \$7,000 a year through the provincial federally-sponsored social assistance system which is called family benefits allowance. Under that system, the woman receives a cheque once a month. Now that cheque once a month, I mean basically trying to exist on \$7,000 within the Ottawa-Carleton area with the current housing shortage, etc., and the price of food, is impossible at best. That family allowance cheque is not a frill. It is something that puts food on the table and also that family allowance cheque is not something that pays for Christmas presents or for extras. It is absolutely for food.

I think we have made the point that the allowance is absolutely necessary for a large chunk of the Canadian population. The allowance has been attacked a number of times for a number of varying reasons. When it comes right down to it, the main reason for it was to attempt to save money.

During second reading debate we heard the Minister contend in the House that the Government would be saving \$320 million over the two-year period for which Bill C-132 would exist. However, deducted from that amount was \$250 million, the two-year expenditure on the Child Tax Credit. Thus the real saving is only \$70 million. The Government should take note of the fact that forgone revenue, such as the gross payment on Family Allowances, was not included. The federal Government should also take into account that it will be losing those tax revenues. As a rule of thumb, the Department of Finance uses an average marginal rate of between 18 per cent and 20 per cent. If we multiply the \$320 million, which the Minister said the Government will be saving, by 18 per cent to 20 per cent, we will find that the federal Government is only losing about \$60 million over that two-year period. In reality, the savings from this program will be somewhere in the neighbourhood of \$10 million. It is hardly worth the disruption caused, the avoidance of the recognition of the part women play in raising families, or the extra stress which very low income families will be placed under by living in an inflationary world and having their Family Allowance benefits reduced.

For those reasons we will be voting against this Bill. We will support the amendment before us at the moment to set it back, inadequate though it may be since it assumes that the Bill will pass. It simply reduces some of the effects of the Bill. We will support the amendment as a stop-gap measure, but we will oppose the Bill in any way we can.

**Some Hon. Members:** Hear, hear!

**Mr. G. M. Gurbín (Bruce-Grey):** Mr. Speaker, I am pleased to have the opportunity to join my colleagues in this debate. We are now discussing the amendment of my colleague, the Hon. Member for Calgary West (Mr. Hawkes), and considering the proposition of the Government to limit the allowances, which have been indexed to this point as part of Government legislation, to whatever the consumer price index will be in any given year. The amendment itself has been well-explained. It simply suggests that we should not go for a two-year period, that we should only approach the first year, and that we omit the second year of the program. That is very reasonable and rational. On any criteria we choose to use, whether it is the Government deficit this year, the expenditures or almost any economic performance, the Government does not have any idea what will happen six months from now, let alone a year from now. It makes consummate sense that we look at a program such as this on a one-year basis. I strongly support the amendment and urge the Government to consider it seriously.

• (2110)

The six and five program is one which has a number of interesting ramifications. As far as I am concerned, the most important and interesting ramification is that this type of legislation would not be necessary if the consumer price index and inflation were not at their present high levels. The main reason for this legislation is the level of inflation and the consumer price index. Measures such as this would not be necessary if inflation were at 6 per cent or 5 per cent, as it is and has been in other countries.

An important fact for Hon. Members to understand is that we are faced with this situation today because the Liberal Governments have led us to this point as a result of their many and various programs which they have introduced since the late 1960s. The consequences of these programs are beginning to catch up with all Canadians, including mothers, children, farmers and businessmen, because we now have to pay for the Government's ill thought out programs over the years which can be no longer maintained. One might say that we have been caught with our hand in the cookie jar. We are now faced with legislation that is designed to withdraw from programs that were introduced at a time when we could afford them.

It is important to note that the main cause for this inflationary increase has been the Government itself. It accounts for the major portion of the inflationary increase that we have seen in the last few years. Its control over spending and price increases have been the main cause of the increased rate of inflation with which the present programs cannot keep pace.

As a result of this Bill and others which the Minister of National Health and Welfare (Miss Begin) is responsible for introducing in the committee and the House, I am interested to know what her priorities are. It appears that we will save approximately \$15 million in this specific program. Although the absolute figure may be somewhat higher, the real saving to