

Family Allowances Act

● (1540)

Even though the Budget suggests that, with those changes, assistance to lower-income families will be increased, it is a fact that a good number of lower-income families and all middle-income families with children will get less than they are now receiving under the current system. For instance, in the area of family allowances, a family now gets \$375 a year per child; in 1986, it will get less because of the family allowances being de-indexed, and so forth in 1987, 1988 and 1989.

What must be understood in the Government proposals is that there is a long-term loss for families, despite the increase in the income tax child credit proposed for 1986, 1987 and 1988. However, concerning the income tax child credit, as early as 1990, that also will be de-indexed. Moreover, the other Budget proposals will in effect wipe out any benefit derived from the tax credit increase. Actually, in the next four years family benefits will rise slightly because of the increase in the income tax child credit. But starting in 1990, benefits will decrease and they will go on decreasing over the following years. This is because in 1990 the income tax child credit also will be de-indexed, just as family allowances are now. That is to say that the increase in those benefits will correspond to the increase in the inflation rate over and above 3 per cent.

If all things were to remain as they are now, the benefit increase would be 4 per cent rather than 1 per cent. Therefore, even if there is an increase, it will be slight and will not match the current inflation rate or cost of living increase.

This is not all. The Government has other proposals that are extremely unfavourable to families. Indeed, from 1986 on fewer families will be receiving the maximum income tax child credit.

The income ceiling which makes it possible for a family to receive the maximum Child Tax Credit is presently \$26,330. But the Government proposes to lower this ceiling to \$23,500. Therefore, all families whose income is between \$23,000 and \$26,000 will no longer be eligible to the Child Tax Credit.

Moreover, because the average salary will increase from year to year, more and more families will earn over \$23,500 and get only reduced benefits. What is more, the personal income tax will increase in 1986.

Because of the generous proposals of the Tory Government . . . I have still 10 minutes left, Mr. Speaker? Thank you. I thought a while ago that you were going to cut me short.

Because of the generous proposals of the Tory Government, the low- and middle-income family will lose its federal exemption beginning in 1986. Also, basic personal exemptions will be reduced, because they will be indexed from now only by the inflation rate exceeding 3 per cent instead of being fully indexed to the cost of living. The taxable income of the low-income family is therefore higher. So the Child Tax Credit will decrease, while the Income Tax and the Sales Tax will both increase.

In short, the future is far from being encouraging for low- and middle-income families.

Because of the budgetary measures, the poor families will get poorer and the rich families will definitely get richer.

Yesterday, Mr. Speaker, when the Minister introduced this Bill, he asked us to understand it and to consider it in the light of the deficit, the national debt, and the Government's need to limit its expenditures. But if we take into account the great many families it is likely to affect, we should consider it in the light of the \$2 billion granted to the oil multinationals, in the light of the exemption of capital gain taxes which benefit high income families, and in the light of the increased tax deduction resulting from greater RRSP investments. Low-income families do not benefit from these programs. Under these circumstances, Mr. Speaker, the poor will have to pay for what the rich no longer pay. It does not make sense and, above all, it is unfair! Is that the way the Government means to help those who need it most?

Mr. Speaker, the Government is taking steps which are both stringent and unfair. The Progressive Conservative Government wants to increase the burden of disadvantaged families. Yet, according to the 1981 census, 13 per cent of Canadian families live below the poverty line. In my own province of New Brunswick, the 16.2 per cent of the families living below the poverty line will be severely affected by the family allowance cuts. For all these families, Government money represents a major part of their income and helps them survive and make ends meet. As you know, Mr. Speaker, poverty unfortunately still exists in Canada. Perhaps you do not, but your neighbours know what it is to be poor and to live on a very small income. It is a situation nobody would wish to live or to impose on anybody else.

Nobody is proud to be poor or to admit being poor. Nobody lives on a small income out of choice or willingly. Life is not easy for everybody. All Canadians are not born in an affluent region or to a family who is well-off financially. Many Canadians live in isolated regions where the education system is limited to the primary and secondary levels and where employment is only seasonal. Mr. Speaker, seasonal employment means that a person will work up to 10 or 12 weeks during the summer months to become eligible to Unemployment Insurance benefits during the winter months. Which means that these families live on an extremely low income. If you work for 10 or 12 weeks on a salary of \$400 and you live on Unemployment Insurance benefits the rest of the year, you do not earn all together more than \$14,000.

But if you are not so lucky and earn only \$250 a week over the first twelve weeks you will simply end up with a little over \$12,000 a year. That is what it is like to be poor, to have limited means. One can pinpoint a poor family when attending parent-teacher meetings, or again at the first meeting before