

of our whole fabric of programs to support families and all Canadians. No wonder the Conservatives want to rush through an amendment to the Family Allowance Act which is something as I have said, that severely weakens and undermines the objectives of one of the fundamental elements of our national social security framework.

The Bill which this motion wants to bring to a vote reduces the indexing of family allowances and therefore its purchasing power. This not only contradicts promises made by the Conservative Party in the last election campaign, it absolutely contradicts the assurances of the Minister of National Health and Welfare (Mr. Epp) who stated in this House last December 21, and I quote from *Hansard* at page 1444:

Mr. Speaker, I can confirm that the regular indexing of the Old Age Security, Guaranteed Income Supplement, and family allowance will be increased as of January 1, 1985, and the Canada Pension Plan will also be increased 4.4 per cent—

The question asked of the Minister at that time did not include any reference to the family allowance system which is under attack today. However, the Minister went out of his way to include the family allowance in his commitment to increase regular indexing for 1985. The indexed family allowance benefits will increase by 4.4 per cent in 1985 but will be 1.4 per cent, more or less, in 1986, because of this cruel and heartless Bill.

The Family Allowance Bill of 1973 was introduced by the Liberal Government of the day and was approved by this House with the support of all Parties. That Bill had as its objective the strengthening of an income supplement program for Canadian families which was created by a Liberal Government almost 30 years before. This law was passed with the full recognition that income from employment does not request family size, that family bread winners working at or near the minimum, part-time or full-time, often do not have sufficient earnings to support more than one or two dependent children.

The Family Allowance Act also embodies a recognition that the family bread winner may only be able to obtain work on a seasonal or intermittent basis. Parliamentarians realized that these families constantly struggle to keep off the welfare roles because of their pride in their ability to make their own way. Indexing was and is very much part of the program to preserve the purchasing power of the family allowance, a vital instrument, therefore, of social justice.

It is not only this particular Tory Bill under debate today which violates the objectives of the Family Allowance Act and our entire social security framework. This legislation is just one part of a total package of Conservative Government Budget measures which runs against the grain of every positive step taken by successive federal Governments—yes, Liberal Governments—to help lower and middle income Canadian families to improve their economic and social standing in the society of our country.

Further, the May Budget of the Conservatives is not just fundamentally flawed in its brutalizing collision with the values which have shaped our national social policy tradition and consensus, it strikes particularly at lower and middle

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income Canadians at a time when we are still in a period of recovery from a severe world-wide recession. Lower and middle income Canadians have borne the brunt of general economic difficulty.

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The May Budget of this Conservative Government will drive an expanding wedge through an already widening gap between rich and middle-income and poor families. At a time when federal Government anti-poverty efforts should be renewed and reinforced, at a time when federal government efforts to assist families should be strengthened, this Tory Government has chosen to redistribute income from lower and middle-income Canadians to rich Canadians.

This Government's first priority is an impersonal passion for the bottom line. It intends to apply what it calls savings, actually money taken from the pockets of middle and lower-income Canadians in the billions of dollars through cuts in social programs, to reducing the deficit.

First it tried to do that with the old age pension and the outrage of Canadians generally forced it back. But it still wants to do this to the family allowance program, the subject of the Bill which this motion will bring to a vote. It intends to do the same thing to the indexing of the personal income tax. The so-called savings are to be applied to a reduction of the deficit and the Government intends to do this as a priority in total disregard of its own promise, stated for example by the Minister of National Health and Welfare on December 14 of last year, that none of the money saved by reducing social benefit payments would be used to reduce the deficit. So much for credibility. So much for accuracy. So much for a commitment to social values by this cruel and heartless Conservative Government.

Even this cynical passion for deficit reduction fails to completely explain Tory Government motives which result in the unfairness of the Budget of which this Bill is just one part. While the Government has been forced to withdraw its measure to deindex the OAS, it continues to try to put into effect tax policy which would provide a small group of individuals who receive handsome profits from capital gains with unconditional exemptions which will cause lost tax revenues estimated at \$1.2 billion in 1990 alone.

The Budget proposes a swath of changes to child benefits which, according to the superficial arguments of the Government, appear to provide an advantage for low-income families. But on closer examination we find this Budget will bring about a partial deindexing at the 3 per cent threshold after 1989; that the cut-off point for the planned child tax credit reduction will be lowered from \$26,330 to \$23,000 in 1986; and that the child tax exemption will be reduced from \$710 per child to \$560 in 1987, \$470 in 1988, and to the level of the family allowance in 1989. Every Canadian family will lose necessary benefits as a result of the impact of the Conservative Budget. But even the poorest of the poor will lose benefits after 1990 because of the deindexation of the child tax credit along with the deindexation of the family allowance which the Conserva-