

*Family Allowances*

there are also elderly people in my riding who are experiencing a lot of difficulties in pulling through financially. We want to hear about the need to increase the pensions of our elderly people who have now left their jobs after having made such an enormous contribution to this country.

The government was somehow caught at their own act when they announced these measures last summer and everybody thought that the election was to be held in October. Now the election will have to be held next spring and it is still something which raises some questions regarding this government and I must mention it.

I would also like when dealing with social measures, since this is a bill which concerns the family, to invite the minister to ponder seriously over the situation of the handicapped and the blind. The minister knows quite well that this segment of our society has derived benefit from the Canada Works program. But as this program is planned differently from year to year other and as this class of people cannot get a second grant under the Canada Works program, they find themselves now cut from the benefits they derived from this organization which has served them well for some six to 12 months.

With regard to senior citizens, let us take, for example, the New Horizons program. I wonder if the minister would give serious consideration to this excellent program which we endorsed. We even supported additional funds to provide these people with facilities and necessary and justified recreational activities. I think we could also seriously consider permanent funding for the disabled and the blind. The minister is fully aware of the great needs of these people. Some will say that we would have to negotiate with some provinces. I urge the minister, of course, to negotiate with the provinces special programs that could meet their needs.

I am convinced the minister will keep these remarks in mind and I am confident that when the budget will be brought down in a few days, the Minister of Finance (Mr. Chrétien) will introduce a job-creating program, because people are needed to look after the disabled and the blind. Such a program could, while creating jobs, meet the expectations of these people and give them a fresh interest in life. I trust the minister will look upon my remarks in a very positive light, and upon the people, the categories I mentioned, with considerable humanity.

Mr. Speaker, of course we will support this bill. But I thought it my duty to remind the government that those measures should have been introduced long before today. Politically, they will be exploited as they must. But, in any event we are very happy to support them and trust that this government, with regard to industry, will find the means, take the steps and implement programs to create jobs and thus, I imagine, spare us the need to think only in terms of social measures. But there again, we have to consider those proposals which have been put before the House as essential, in view of the complete economic fiasco we have seen.

I doubt that a prosperous Canada can be built through social measures. There will always be groups that will have to be looked upon as human responsibilities; I mean senior citizens and similar groups. In a better economic climate than that we know today, we would not be forced to introduce measures which, to my mind, bring nothing positive to the economic sector. Over all, it remains that some of the people now in need will benefit from those proposals. We shall support them in the hope that the minister will take good note of the remarks I have made, at least the ones she may consider positive.

● (1712)

[English]

**Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):** Mr. Speaker, I welcome Bill C-10 for several reasons. It would be fair to say that many of us in the House of Commons have felt a disparity in various pieces of legislation where tax credits were given either for family allowance or other income tax policies. We are all aware that tax benefits do not assist families with the greatest need for federal, provincial or municipal assistance.

The first proposal contained in Bill C-10 is to reduce the amount of family allowance to \$20 per month. Although the family allowance will be reduced to \$20 on January 1, 1979, for families with incomes below \$18,000 there will be a benefit. Each family will receive \$200 per year for each child in the family.

I welcome Bill C-10 because it contains measures for redistribution. This is the first time since I have been here that a piece of legislation has been brought in which appears to be a negative income tax, due to the fact that one does not have to have high income in order to benefit from the tax policy change. Lower income families, regardless of whether they pay income tax, will receive a \$200 allowance. For that reason I believe we on this side of the House, as well as those on the other side, welcome this proposal.

The \$50 child adjustment will be eliminated. Also I understand there will be a change in the amount of moneys which can be deducted for income tax purposes in the 16 and 17-year old bracket. The present child benefit system consists of family allowance of \$25.68 per month per child, with a child tax exemption of \$460 a year for children under the age of 16 years, and over the age of 16, in the 16 to 17-year bracket, a tax exemption of \$840, as well as the \$50 per child adjustment to the general tax deduction.

For example, in order to benefit from the \$840 exemption for 16 and 17-year old children, one must have an income to tax. In other words, those with the highest incomes receive the greatest benefits from the tax exemption system. Those on the lower end of the economic scale received proportionately less until they reached a cut-off point where the family could not take advantage of any of the tax exemptions.