

*Family Allowances Act, 1973*

• (2050)

We do not need Liberal backbenchers and others saying it is up to the NDP to defeat this legislation or prevent it from going to committee. We are certainly willing to do it, as I spent the last 15 minutes saying, but it is up to every individual whatever his or her position in this House to fight this legislation. If the Liberals really believe this, they had better fight against it and make sure that the old age pensioners receive their pensions and do not become victims of Senator "Scrooge" Davey's effort to kill Christmas. Let every Liberal remember that.

**Mr. Vic Althouse (Humboldt-Lake Centre):** Mr. Speaker, I rise to speak on the amendment to Bill C-132 which attempts to reduce the effect of the six and five program on Family Allowances. I think that most Canadians know that the Government is attempting to reduce the indexation of those programs to a level of 6 per cent in 1984, and 5 per cent in 1985. The Family Allowance program has been with us since 1944. It is a unique program because it recognizes the cost of parenting and the role society ought to play in that cost. The program was a good idea, but it has had some problems and I want to spend a little bit of time reviewing those problems.

There have been a number of articles in the press recently the conclusion in which has been that it costs approximately \$500,000 to raise a child in today's society. That is made up of the actual out-of-pocket expenses, extra hours of unpaid labour, and it includes the income forgone by the mother when she stays home to raise the children. The recognition of that contribution, and in recognition of the great asset society has in its children, we have the Family Allowance Program. It is not a great deal of money, but it has made the point that society is taking part in the raising of children because they will be assets to the economy in the future.

From 1945 to 1973 the amount per child was approximately \$7.50 per month. In 1974 it was upgraded considerably to \$20 per child, while at the same time making it a taxable benefit. In addition, it was indexed so that we now have a Family Allowance in the \$27 per month range, although there have been interruptions to that indexation. I believe it was 1976 that indexation was stopped as an economy measure. This time it is being stopped to fight inflation. Without these interruptions it would be almost \$40 per month instead of \$27, and now we have a proposal to reduce the indexation to near six and five for the next couple of years.

I am not convinced, Mr. Speaker, that doing this will do anything to fight the inflationary psychology, which is the government's argument. I will just quote briefly the Minister of National Health and Welfare's (Miss Bégin) explanation of the Government's argument. In a committee hearing she said the idea was to mobilize all Canadians in fighting this battle against inflation. So apparently we are in a war on inflation. A few years ago we were simply wrestling with it, but now we are mobilizing all Canadians, right down to the new-born babies. Everyone is in the act. The Minister said this:

The government's philosophy in the Cabinet discussion, which is what you want to understand, was made like this: In the June budget, we decided we had reached the time where the psychological dimensions of the too-high inflation we were witnessing in Canada had to be recognized and dealt with by another psychological weapon, which was a sword—

I never studied psychology very extensively, Mr. Speaker, but I do not recall the sword being a great weapon in the understanding of psychology. Apparently it is now with the six and five program. She goes on:

—and I know the words might make you smile—a sword of a national campaign of solidarity of all Canadians, mobilizing all Canadians toward cutting in half the forecasted rates of inflation of 12 and 10 to 6 and 5. It was an arbitrary—to my knowledge—choice of common purposes for Canadians to try to embark all partners into, as I said—

Well, anyway, the mobilization has gone on and I am not sure just what it is doing. It seems to me that it is having a very real effect on the incomes of the very low income people. We are told later on, in a testimony she gave, that there are about 900,000 children who are living in poverty, whose mothers need every cent of the child allowance to give them food—not just clothing or education or trips to the movies, but food. These are the people we are mobilizing to fight inflation.

It seems to me, Mr. Speaker, to be a phony war. We are fighting inflation at the same time that we are increasing unemployment. It is very likely that a great many of those 900,000 children are being raised by single parents, usually the mothers, who are on welfare. A reduction affects such people in a very real way. Along with its fight against inflation, the Government has been reducing expenditures on items which create jobs. Some people who have fathers in their families are finding that their fathers are unemployed as well. The Government is busy fighting inflation, but at the same time it is creating a situation where the demand of 20 per cent to 25 per cent of the population is being cut to the point where adequate nutrition is difficult to obtain. Also this group is faced with reducing some of its other wants and is having problems finding enough jobs.

• (2100)

Many witnesses appeared before the hearings of other committees. They told us that what was wrong with the country was the lack of demand, yet the Government reduces the incomes of people who will create some of the demand. It is a very backward way of going about it from an economic point of view. From a social point of view, it is abhorrent to reduce incomes, no matter how slightly, for people attempting to live on these kinds of income.

I see no justice in it. I see no way that it can be justified in terms of philosophy or rational thought. It makes no sense from an economic or social point of view. It is a reversal of a longstanding policy which has attempted to assist and recognize the role women play in raising children.

I should like to refer to some of the testimony by the Ottawa-Carleton Low Income Support Service group when it appeared before committee to reinforce the effect this reduction will have upon low-income people. It pointed out that monthly Family Allowance cheques are extremely important