

### *Family Allowances*

Mr. Speaker, if I have a few minutes left I wish to read to this House a very interesting article I saw in *Le Devoir* entitled: "The New Social Policy of the Federal Government" written by Michel Pelletier, an economist and jurist. This writer is involved in research on social policy. I quote:

D'Alembert described politics as the art of cheating people. Valéry considered it was the art of preventing people from minding their own business. If we consider all the actions and moves of the Trudeau government since last August 1, that is since the Prime Minister announced in a surprise television broadcast the new economic policy which his government was bent on implementing in the aftermath of the economic summit of Bonn, we could find here numerous elements to support either one of these two points of view.

It is not that Mr. Trudeau or any of his ministers have lied to us. It would be too obvious and consequently not very fruitful. It is rather by means of a careful dosage of staging and dramatization, by an increase in press conferences and apparently sudden and improvised statements, by uncovering bits by bits without obvious logic the elements of that new policy, by the time lapses between these partial disclosures, it is by all these indirect means that the Trudeau cabinet has been able to create a state of confusion in our minds while creating the impression it was accomplishing a lot in a very short time.

Now listen carefully because he is saying great truths. I am now quoting again:

It was obvious then that in order to reach simultaneously objectives which were at least in competition with one another if not contradictory, that is to say do more in order to spur the economy and do more for the most vulnerable people while at the same time reducing government spending by some \$2½ billion—the government would have to show a great talent for magic. And if we can agree to the fact that the state can take social benefits away from some people in order to give them to others, we could also fear that it would take advantage of this opportunity to reassign the amounts saved from social programs for the purpose of boosting the economy.

This is precisely the point when one talks about stimulating the economy which has me a bit upset because I can see through all those statements and through all these amounts taken away from the family allowances that the government can use it and this is why I mention it because at least when it happens people will say that we expected it, that it could use them to other purposes than filling the needs of social services. I think that the proposals and the critical remarks which I have made are inspired by the greatest sincerity and it is to give to this bill a more social and human aspect and to make it less impersonal and above all less centralizational so that it will exert less control over our population, because we are heading towards an absolute form of control, as absolute I think, if not worse than what exists in the Communist countries.

[English]

**Mr. David Orlikow (Winnipeg North):** Mr. Speaker, let me begin my speech by making it crystal clear, as it seems to have been misunderstood by some members of this House and by some members of the media, that members of the New Democratic Party support the principle of this bill.

We support the bill, as my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), who led off the debate for our party said, because for the first time a federal government is amending the Income Tax Act to give greater benefits to people in the lower income brackets than to people

[Mr. Gauthier (Roberval).]

in the higher income brackets. For the first time in Canadian history people who pay no income tax at all, because their income is so low that they are not taxable, will get benefits. We hope that is the first step toward a negative income tax, a theory we have supported for many years and which provincial New Democratic governments in British Columbia and in Manitoba began to implement years ago.

In the province of Manitoba the NDP government, while it was in office, changed the property tax credit to provide that every family, whether renting or owning a dwelling in that province, would get a tax credit. It included those people whose income was so low that they paid no income tax, and provided that the greatest tax credit would go to people in the lowest income brackets, with the smallest tax credit going to people in the highest tax bracket. It is not surprising, given our approval of this principle, that we support this bill.

The reasons why we support this bill were very well enunciated in a paper put out in August of this year by the National Council on Welfare entitled "The Refundable Child Tax Credit, what it is . . . how it works" and I quote:

On August 24 the federal government announced what may well be the most far-reaching restructuring of its programs of financial support for families with children since the introduction of family allowances. For the first time the federal income tax system will be used to deliver benefits to low and middle-income families, including all of those with incomes below the poverty line. Unlike the usual tax cuts of the past which automatically excluded those so poor that they already paid no income tax, a new mechanism—a \$200 refundable child tax credit—has been designed that will provide full benefits to these poorest of families who are most in need. The same benefits will be provided as well to virtually all other families with incomes below the national average. As incomes rise above the average and the need for financial support diminishes, the benefits will be gradually reduced and finally phased out.

We endorse that statement of principle completely, and it is for that reason that we support this bill.

Our support for the bill was not made easy by listening to some of the speeches we have heard from the government side. The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Anderson) suggested the pension paid to all residents of Canada who reach age 65, that is, the old age security pension, should be de-indexed. We look on that kind of a suggestion as the first suggestion to eliminate universal programs. We support universal programs, and we will fight relentlessly against that kind of a suggestion. I certainly hope that the member was not floating a balloon for the government when he made that suggestion.

Neither was our support for the bill made easy when we listened to the speech made yesterday by the Parliamentary Secretary to the Minister of Justice (Mr. Lachance). He took it upon himself to lecture the hon. member for Broadview (Mr. Rae), suggesting that never having been poor he had no right to talk about poverty. He went on to suggest there was little if any poverty in Canada. He stated that this government had worked at reducing the gap between the rich and the poor and had been successful.

● (1602)

As reported at page 708 of *Hansard*, the parliamentary secretary suggested the hon. member for Broadview should