

done by our committee we noted that when payments to individual citizens were increased by the federal government that increase did not always go into the pocket of the person for whom it was targeted. Rather, the province would reduce its contribution, in one instance, by the total amount of the federal increase. In other words, they were dealing with it as an another transfer payment. One province was absorbing 100 per cent of all individual transfers and the other provinces, with the exception of Alberta, were charging back or escaping a percentage of their responsibilities. As the federal payment went up, theirs would go down.

Obviously, there will have to be negotiations with the provinces and a commitment by all governments in Canada to attack poverty before we can make real progress in that direction.

The problems facing our children are many and varied and require a range of solutions. We continue to rework and update our approach to supporting children. I believe very strongly that governments today need to face today's realities with solutions designed for today, not solutions that were designed for yesterday. The world is changing very quickly. Our young people are so important to the future of our country that they must be supported at the level of thinking, planning and negotiating so that we can help them grow up to be productive and contributing citizens in our country.

● (1610)

**Hon. Lorna Marsden:** Honourable senators, I am very glad that Senator Robertson has spoken on this proposal. I think it would be helpful if she could give us the answers to one or two questions, in preparation for the debate which I am sure is coming.

First of all, I wonder if Senator Robertson knows who will receive these monthly payments? As we all know, the family allowance has traditionally gone to the mother, and that has been considered a crucial factor.

Secondly, I wonder if she would comment on the lack of indexation, which I had referred to earlier.

Thirdly, Senator Robertson said the winners are the poor families and high-income families are the losers. Of course, high-income families now have their child benefits taxed back, for the most part, except for the nanny's section, which is increased and not decreased. The average family income in this country is now just over \$51,000. Would it not be more correct to say that the real losers are not the high-income families, but the families whose incomes are just over \$51,000? They are the ones who will receive no benefits, including no more family allowance, and who will be the real losers.

**Senator Robertson:** With respect to your latter question, Senator Marsden, the winners are those families earning up to \$50,000, but there are still small benefits going to those earning up to \$60,000. That has not been completely phased out at that level.

Perhaps I should rephrase that: The losers, you say they are losing now. Yes, they are losing now. It is being taxed back. Perhaps I should have said that if high-income families

thought they would gain any benefit from this program, they were wrong. Perhaps my phrasing was incorrect.

I want to talk about indexation, a matter that you and others have raised in the chamber from time to time. I see the approach that the government is taking in this regard as providing a vehicle for government in the future to deliver benefits to children. In our committee, we talked about the bookends. We have the Guaranteed Income Supplement at one end for senior citizens, but there was nothing much at the other end for the children. Those of us who sat on that committee, if you will remember, Senator Marsden, looked at a guaranteed income supplement for children. Call it by whatever name you wish, I see this children's benefit as a vehicle for getting that other bookend in place.

In line with that notion, the three programs that the new children's benefits will replace are also now subject to the 3 per cent freeze. However, I would look at the child tax credit. I would not look at family allowance. Since the 3 per cent freeze has been in place, family allowance has not increased by much. It is only after the 3 per cent that you have increases. However, although the child tax credit was also under the same legislation, it has increased significantly over the years because it was targeted to the poorer families.

I am confident that regardless of which party forms a government in the future, that government would be very hard pressed not to make major increases to this program from time to time as they did with the child tax credit because it was targeted. I am not worried by the 3 per cent control because I think that guarantee must be included in there. We are now in an era of low inflation, and it looks as if we will be in that era for some time. I suggest to you, for instance, that in 1983-84 when we had the 5 and 6 per cent ceiling and inflation was certainly in double digits, poor families were in a more difficult position than they are now. If you do not have control, those who support an increase that reflects the yearly cost of living or of inflation are saying at the beginning of the program that that is enough money. If you go back to our committee, we generally agreed that if we could ever start a program like this, guaranteed income for children, it would probably take eight or ten years before we got to a level of support that would make a meaningful impact on poverty.

I see this program as a vehicle which will give any government the opportunity of directing those dollars to those most needy. However, you have to have some fiscal responsibility. I do not think you can let any program float away with a cost-of-living index. I believe fiscal responsibility is terribly important, but fiscal responsibility does not take away from the government the opportunity and the ability to increase that program from time to time as the moneys are available.

With respect to the question of who will receive the payments, the cheques will come, as the family allowance cheques did in most cases, to the mother. The cheques will continue in that manner.

On motion of Senator Marsden, debate adjourned.