

*Family Allowances*

based on the indexing which will be carried out just as in the past. In other words, what this means is a new base starting in 1979.

**Mr. Stevens:** Mr. Chairman, I would appreciate it if the parliamentary secretary would check that once again with his officials to make sure that is the effect of this amendment. Because as we read it, that does not appear to be the case. Let me draw the parliamentary secretary's attention to the actual wording of the Family Allowances Act. Section 13(1) sets out very clearly that family allowance from 1974 on will be indexed. I presume that section will still be in place, that all we are doing by the existing bill is making a special allowance for 1979, and that, notwithstanding section 13(1), in 1979 the actual family allowance will only be \$20 per month.

**Mr. Martin:** Mr. Chairman, that is the section of the Family Allowances Act being amended by this bill and we will just have to take a look at it with our officials. The hon. member for York-Simcoe is partially right. The payment will be \$20 per month for 1979, but I am not sure that he is correct in his assertion that this in any way precludes the indexing program which will carry on into 1980 and beyond.

● (2142)

**Mr. Stevens:** Mr. Chairman, judging from the parliamentary secretary's response, I do not think that he comprehends the full thrust of what I am saying. The Family Allowances Act as amended, if this bill is passed, provides for a \$28.80 payment per person, but only for the one year unless the parliamentary secretary can show me otherwise. That amendment is simply to the effect that during 1979 the rate shall be reduced to \$20. My question is twofold. Can either the minister or the parliamentary secretary show me anything in this bill that amends the Family Allowances Act further than that; and, secondly, if that is the effect of the amendment—the \$690 million saving referred to by the Minister of Finance—then it provides for a saving only during 1979, because immediately the old system will be put in place after 1979 and there will be a higher cost to the treasury in the ensuing years.

**Mr. Martin:** I have consulted with the officials and I find that section 13(1), subsection (1) of the Family Allowances Act of 1973 does indeed provide for this indexation. I see the point being made by the hon. member. He mentions section 13(1)(1) as the section being repealed, and I think we are referring here to section 13(1.1). Certainly the suggestion that the member is putting forward is indeed incorrect. If there is language which must be reviewed here we can do that, but it is clearly the intent of this amendment to change the base for only 1979; then the indexation will carry on in the normal way subsequent to that.

**Mr. Stevens:** Mr. Chairman, if the parliamentary secretary would check that out, perhaps tomorrow we could deal more fully with the true impact of clause 10 of the amending bill before us. I would point out to the parliamentary secretary, if he has not looked at section 13(1.1), that section that he is repealing is simply an earlier section which provided for 1976

that the ongoing family allowance rate would be \$22.08, and that confirms what I am saying. For 1976, notwithstanding the indexing that was in place, the amendment of that year stated that the rate would be \$22.08. In this bill the government is proposing that, notwithstanding the over-all effect of the section, the rate will actually be \$20. My point is that, just as the old indexing took over in 1976, the same will occur in 1980 if there is no further amendment.

**Mr. Martin:** If I understand the hon. member, what he is saying is that he is not satisfied that the amendments as they are presently written will provide for the indexation to start once again. The intention is very clear that the indexation will start once again, and it is merely a matter of clearing up with the officials whether the wording of the amendment is indeed accomplishing that.

**Mr. Stevens:** Perhaps we can come back to this tomorrow when there will be a further explanation concerning the true impact of both the anticipated tax cut and the expenditure savings which the government is representing will help finance what it is proposing.

I would like to direct a question to the Minister of National Health and Welfare. In the brochure put out with regard to the refundable child tax credit, various statements are made, including the statement on page 2 that the combined effect of these three changes—referring to the family allowance reduction, reducing the higher exemption in the personal income tax for dependent children aged 16 to 17 and the elimination of the \$50 per child reduction—will affect 1.9 million families with the greatest need and provide a small decrease for 1.7 million families with incomes above the national average. Those two figures add up to 3.6 million families. Could the minister explain why, when we check the income tax returns for the calendar year 1976, there are only 1.7 million taxpayers who reported, either on a non-taxable basis or on a taxable basis, any family allowances? Would the minister give us the basis for her statement that 3.6 million families will benefit?

**Miss Bégin:** Mr. Chairman, the hon. member has not given the title of that document or the name of the company that printed it. As far as I can see from the cover, he is referring to a publication by the National Council on Welfare. This organization is an advisory body to me and prints its own opinions based on its own understanding of the various matters in the field of social policy. I do not know the basis for their calculations, and I would point out that it is an independent organization.

**Mr. Stevens:** Mr. Chairman, I would ask the minister if she disagrees with the document. Presumably she has had an opportunity to review it, so may I take it that what is stated in this brochure is correct, as far as the minister is concerned?

**Miss Bégin:** I do not have a copy of the document with me. I read it with great interest, and I was particularly pleased that such a body—with half its membership composed of people