

*Family Allowances Act*

has its own house in order then it can say with pride "Look at our austerity measures". If still more are needed, perhaps the Government can make a plea, beginning with middle-income families and up, but not until the Government has done its own work.

This Bill indicates to me that something is very seriously wrong in Canada with our priorities. We limit the flow of money to needy persons but we can find money for almost anything else that comes to mind in Government operations.

I just returned last evening from visiting an Indian community on the coast of James Bay, a community which this past spring was flooded out. I went to see how the repair work was coming along and found that it is not coming along well at all. Houses are still partly demolished. I asked the officials why and they told me that there is not enough money to repair the homes. Winter is coming on and the houses are standing on blocks with no insulation. I saw a child playing in a dirty, muddy pool in front of his partly demolished home. Not far away from him was a huge garbage disposal site. That site ought to be moved away from the community because it is creating problems with the drinking water and causing disease. However, it cannot be moved because there is no money. We are asking that child to help us in our fight against the federal deficit. In the recently leaked Buffalo Jump report, the Government indicated that it wanted to cut more than \$300 million from the program to assist the poorest of poor, the Indian people of Canada. Let austerity begin with ourselves; let austerity begin with the Government itself. We cannot fight the deficit on the backs of needy people. We cannot fight the deficit by calling for the co-operation of children and their mothers who need those few extra dollars.

● (1610)

The Government argues that the child tax credit will offset this reduction in the family allowance. We know from a careful analysis of this by the National Council on Welfare that that is not so. In speaking about child benefits, the council indicates that many lower and all middle income families with children will receive less than they do from the current system. After 1990, even the poorest families stand to lose child benefits. In future, fewer and fewer families will be eligible for the child tax credit. That argument which has been offered on the other side does not stand up under analysis. It is a false argument. The buying power of the family allowance cheque must be maintained. It is unfair, unjust and unreasonable to do otherwise.

I remember when the child allowance came into existence. I recall, as a child, being told about it by my mother. I could not imagine that some Government in far off Ottawa was concerned about a person like me, a child, and that it would actually give money to my mother to provide some of the things I would not have otherwise had. I remember the war years, those years of austerity. There was little money for things such as a pair of skates, a baseball mitt, a bicycle or even a movie at the cost of 12 cents. We accepted that as children because we were told that there was an ongoing war

and that everyone had to sacrifice. Brothers, uncles and fathers were dying overseas. Later came the child allowance, money for mothers to provide their children with things they ought to have in the process of growing up. Those few extra dollars have become important. It is not extra money that can be thrown around. It is now important money, especially with unacceptably high levels of unemployment, soup kitchens and the increase in poverty. Mothers need that money to provide their youngsters with items to enrich and enlarge their lives. We are not talking about luxuries; we are talking about necessities.

What sense is there in saying that this small sum of money will not be increased fully in accordance with the cost of living? What sense is there in asking for this small cheque to be reduced by the rate of 3 per cent per year? According to the National Council on Welfare, by 1990, as a result of budget changes to child benefits and the income tax system combined, a family with an \$80,000 income will lose \$1,125 per year. No tears are shed for them. However, a low income family will lose more, \$1,879 or \$754 more per year, and a middle income family earning \$40,000 will lose \$3,452. Where is the justice? Where is the rationale?

I should like to conclude my remarks where I began. Most Canadians agree that the mounting federal deficit must be brought under control. However, the Budget proposes to do so by turning away from what has been a long-standing commitment on the part of the federal Government of Canada, that is, to continue the fight against poverty. It is a wrong-headed policy. We are debating a cheap, petty, public policy. I am certain the Minister feels ashamed about it. Therefore, I call upon back-bench members of the Conservative Party to join with us in bringing pressure upon the Government. It should be given the message that this is not the way in which to proceed in a reduction of the deficit. It is an injustice to do it on the backs of children, their mothers and families which need these few extra dollars that we give them each month.

**Hon. Jake Epp (Minister of National Health and Welfare):** Mr. Speaker, there are a number of points I should like to cover this afternoon on Bill C-70. The first one was just made by the Hon. Member for Cochrane-Superior (Mr. Penner). He left the impression that this was the first time that family allowances had been affected by Government decision. I draw to his attention that when I first rose to speak on Bill C-70, I pointed out that the former Government had made more radical changes in 1976.

**Mr. Penner:** Not permanent, though, Jake.

**Mr. Epp (Provencher):** I hear the Hon. Member saying that they were not permanent.

**Mr. Penner:** They were just temporary measures.

**Mr. Epp (Provencher):** I point out to him that they were much more permanent than anything we have suggested. Whereas the family allowance payment per child is now approximately \$31 per month, if the decision of the Govern-