

Family Allowances

retired employees of Canadian National Railways, and we will deal with that in another debate. We still have not done it for retired employees of CBC, the Bank of Canada, and of a number of other government emanations.

However, with respect to government pension plans that are of general application, the principle has now been accepted that there must be an automatic increase, as spelled out in the statute, to equal percentage increase in the cost of living. In most cases that increase takes place annually, but with respect to the old age security pension and the guaranteed income supplement that increase now takes place on a quarterly basis.

You would think that that battle having been won, that principle having been accepted, the minister would write the same principle into this bill. But no, he has not done that. He has come forward with this bill which, under the provisions of clause 13, gives to the governor in council the right to propose increases related to the cost of living and then to submit any such proposal to the House for its approval. However, unless the governor in council takes action, nothing will happen.

I know—at least I suspect—why the government does not want to make provision for automatic cost of living increases in this legislation. It is afraid there might be occasions, especially if it were done on a quarterly basis, when it would have to pay a 2 per cent increase. Two per cent of \$20 is 40 cents. Remembering a certain 42 cent increase, the government, I can imagine, does not wish to have legislation on the books that will increase family allowances by a few dimes at a time.

I suggest, Mr. Speaker, that this can be avoided by a clause in the legislation which would provide for increases in terms of a full dollar. In other words, I will accept that the first increase should be \$1 and the next increase another \$1. I will go a step further and say that it would hardly be fair to require a family allowances recipient to wait every time for the full dollar because there could be a wait of many months during which time the recipient would be behind in benefits. I suggest, therefore, and I will certainly propose this as strongly as I can in committee, that when the cost of living has risen to the point where there should be an increase of 50 cents, the increase should be \$1. Then, to carry this on, when the point has been reached at which the increase should be \$1.50, the allowance should be increased by the full \$2.

In other words, I am suggesting that the increase should be not less than \$1, and to make up for the time lag the increase should be granted in advance, more or less half-way through the period, so that as the cost of living rises people who are drawing these benefits would receive some of their increase in advance, to make up for what they have missed in the weeks or months which have gone by.

The hon. member for Hillsborough came all out in favour of an automatic provision in the act. I support him in that. Perhaps we could do this with some other kind of formula. I have spelled ours out to make it clear that we are not talking without having thought the matter through. However, I very strongly support the idea that the country should know from the legislation what is going to happen. It should not be left to the governor in council.

[Mr. Knowles (Winnipeg North Centre).]

• (2100)

Another comment I wish to make is that it seems fairly clear that this minister has a winsome way, not only in the House, when he is Dr. Jekyll, but he has done fairly well at getting co-operation from his counterparts in the provinces. The reports we get on the conferences he has held with the provincial health and welfare ministers sound very good. Because he has that effective working relationship with his counterparts in the provinces, I urge him to prevail upon them to make sure these increases in family allowances are not going to take the place of welfare and are not going to be subtracted from welfare payments being made in the provinces. I say in all of the provinces, and I say that advisedly.

I also urge the minister to work a little faster than I thought he was prepared to do when I asked him a question this afternoon with regard to bringing in a bill with respect to the Canada Assistance Plan. I agree we are dealing with a total package. The provinces, especially those that have universalized some of their services like payments to nursing homes, and so on, are going to suffer serious losses if there is an undue delay in amending the Canada Assistance Plan so that the federal government can pay 50 per cent, even where such programs are not needs tested. I realize a formula has to be worked out, but I submit this is terribly important to the provinces. In view of the good relationship this minister has established with them, I urge him to get the bill to amend the Canada Assistance Plan into this House so that we can pass it before we rise in December, whatever date that may be.

The other comment I wish to make is that I welcome the remarks the minister made this afternoon about the changes he is now in a position to make to the Canada Pension Plan. I welcome very warmly the removal of the 2 per cent ceiling on annual escalation so that all benefits under the Canada Pension Plan each January will go up by the full percentage increase in the cost of living.

Although the minister did not say it today, he has said outside the House there will be a catch-up factor. Those who have been receiving these benefits since 1967 will get an increase that will make up for the fact they only received 2 per cent for certain years, with the result some will get 10 or 11 per cent and some will get as much as 20 per cent. That is good. Let us get that bill in soon so we can deal with it.

I also welcome the announcement that the YMPE—yearly maximum pension earnings—level is to be raised. Contributors will be permitted to pay in a slight bit more per year. The pension that Canadians will draw at the end can grow to the point where by 1980 it can be in the order of \$3,000 a year, instead of \$1,200 or \$1,300 as it is at the present time.

I also welcome the removal of the work or earnings from employment test between the ages of 65 and 70. I am sorry to hear the minister will have to bring in two bills. I was hoping all these things would be brought in before January. I also hope one or the other of those bills will do something about removing discrimination as between men and women to the extent it still exists in the Canada Pension Plan. I know that is apart from this bill, but it was part of the minister's speech. Like him and the hon. member for Hillsborough, I agree that our social policy is