

Family Income Security Plan

realistically with the cost of raising children at various ages and with the much greater needs of families with many children as against those with only one or two.

There we have some of the outstanding organizations concerned with the poverty problem, and concerned with the incomes of our wage earners in the low-income groups, urging a more realistic family income security system that would bring much needed incremental income to these people most in need. In essence that is what this legislation would do. My closing remarks would be directed mainly to the official opposition. I have been encouraged over recent months by various questions put to me from members of the official opposition, particularly those from the province of Newfoundland. I refer to questions put by the hon. member for St. John's East (Mr. McGrath), the hon. member for Gander-Twillingate (Mr. Lundrigan) and the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), just to mention a few. If I interpret their questions correctly, I take it that the Official Opposition is much in favour of this legislation. They may have suggestions as to details that can improve it, but in terms of the concept, they are for it. If that is the correct interpretation of the posture of the Official Opposition, then I would expect that this legislation, which is for a very worthwhile social purpose, will commend itself to the House.

• (1420)

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, first of all I wish to congratulate the minister upon putting up such a good front with so little to base it upon. It is just over 25 years since the baby bonuses, now called family allowances, came into effect in Canada. They were masterminded by Mackenzie King and Jack Pickersgill. The reason for their introduction was the depression which had come to the country in 1929. Mackenzie King saw the effects of that depression over the years, and as a result brought in the baby bonus. I do not know why it was called baby bonus, because it was a family allowance from the start. Its purpose was to help relieve poverty in the homes and to increase the spending powers of those on low incomes. As I said, no thought was given to the needs of the child in establishing the baby bonus, the money was to go to the family unit to help that family. This plan came into effect in 1945, and we are much more affluent now than we were then. I heard the minister say what he had done, but let us take a look at what has happened since.

Between July 1945 and September 1971, which was the year FISP was introduced, the consumer price index had more than doubled and had reached the figure of 230.7. It follows then that if the baby bonus had kept pace with this rise, payments for a child aged 11 would have risen from \$7 a month in July 1945 to \$16.50 in September, 1971. I should like to ask the minister why this figure was not reached, in view of the present affluence and in view of the fact that he has brought the baby bonus up to only a certain level. He has put a ceiling on it. Why did he not go a little beyond that figure? Under this new bill, a child aged 11 will be receiving a maximum of \$15, not \$16.50 a month, and children aged 12 to 17 will be receiving \$20 a month.

The point I am making is that we are not even restoring the buying power which was provided under the legislation in 1945, 27 years ago. Why is that? I say to the minister that he has taken a very timid step, and I congratulate him on that, but maybe somebody should have given him a push. Since 1961, personal income per capita has almost doubled, rising from \$1,600 to just over \$3,000. At first glance, it would appear that there are fewer people living in poverty, but let us not fool ourselves because the fact remains that inflation and unemployment have eroded the value of the dollar. There are more people below the poverty line than there were in 1961. Let us suppose that personal incomes double again over the next ten years. More and more people will find themselves disqualified because their incomes will have risen above the cut-off line, yet many of those disqualified people may be living at the poverty line. I say to the minister that, in view of all the money that has been put into circulation in the last two or three months, inflation is likely to come about in six months.

While I am on this point, I should like to ask the minister why he should have the discretionary power to say when family allowances should be raised. Why should it not be parliament, and why should it not be done every year in accordance with the rise in the cost of living? This is the same old hook that we had with old age pensions. The government is defrauding the public. I am not saying the minister will do that; I do not think he would, but why does he take the prerogative of making the decision himself, why is parliament not deciding?

I believe that the government should stand condemned for its handling of the constitutional negotiations over the last 16 months. We have heard repeatedly in this parliament vague and conflicting statements from the officials of the Prime Minister (Mr. Trudeau) and of the Minister of National Health and Welfare (Mr. Munro). After a further delay of six months, there has been the introduction of the FISP Bill C-170, keeping in mind that Bill C-264 died after its first reading in the House on September 16, 1971.

Let us take a look at Bill C-170. We find that there has been very little change, in spite of all the constitutional chit-chat in the meantime. No mention is made of the new arrangements for joint federal-provincial participation in family allowances, as was suggested by the Prime Minister himself in the letter to the premiers of March 9, 1972. There is not even a mention of it in the present Bill C-170, and the minister made no mention of it today. In other words, we have a bill before the House that will likely be amended over and over again by the cabinet, after consultations with and suggestions from the provincial governments to make it more acceptable to the provinces so that the constitutional deal can be completed.

I ask the government: why did they not pass the original Bill C-264 last September, since the amendments could have been introduced later and families could have been receiving their new family allowances at a much earlier date? Of course, the joker in the whole thing is that for every month they can delay the implementation of the Family Income Security Plan, Canadian families lose \$13 million a month.

Mr. Béchard: That was not the argument in 1944.