

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, may I ask the minister one more question? I realize it is hypothetical but it is the only way I can put it. When this bill is passed, becomes law and the payments go into effect some time in 1973, if no agreement is reached with Quebec in the meantime do I understand that the payments provided in this bill would go forward to the individual families in Quebec?

**Mr. Munro:** Yes, Mr. Speaker. Obviously, if no agreement were reached with Quebec and if no provincial option or amendment were made to this legislation and the act were proclaimed it would be applicable in Quebec and elsewhere precisely on the terms set out in the bill.

**Mr. Stanfield:** Mr. Speaker, may I ask the minister a question? In addition to discussions with the province of Quebec regarding some flexibility in family allowances, has the minister had discussions with the other provinces and is it contemplated that any arrangements made would apply only to Quebec or would they be extended to all the provinces? Is there to be discussion with the other provinces before anything is settled?

**Mr. Munro:** Yes, Mr. Speaker, there have been discussions with all the other provinces. As I indicated earlier, a letter went from the Prime Minister to Premier Bourassa on March 9, and it went as well to all other first ministers. This letter set out the terms of the suggested provincial option and was well received. The reaction from Quebec was fairly favourable and I am not aware of any unfavourable reaction from other provinces. Naturally they indicated that they wanted to study its terms and our officials have been available to explain any questions raised with regard to provincial options. To my knowledge there has been no objection from the other provinces. I do not know whether that answers the question of the Leader of the Opposition (Mr. Stanfield).

[Translation]

**Mr. Roland Godin (Portneuf):** Mr. Speaker, could the minister tell us whether the amendments before the House are a result of his talks with the Quebec Minister of Social Affairs and, if so, does he think that they meet with the Quebec government requirements?

[English]

**Mr. Munro:** If I understand the hon. member's question correctly, Mr. Speaker, the amendments that we have been considering today do not have any direct relationship to the discussion we have been having with Quebec except perhaps in a peripheral sense, when I talked about the arrangement for calculating youth allowances. The main theme of our discussion with Quebec is the proposals put forward in the Prime Minister's letter to the premiers of March 9. This went into considerable detail about giving the provinces the right to design the benefit level of the program within certain federal minimum standards.

**Mr. Gilbert:** Mr. Speaker, this amendment is quite complicated and I do not want to confuse the issue further but I am concerned about whether it may result in a lack of uniformity in family allowance payments in Quebec compared with the other provinces. If that is the case it is very serious and I am concerned about it. If this results in a

#### *Family Income Security Plan*

difference in payments of family allowances for youngsters in Quebec compared with payments for children in other provinces, then surely the minister cannot justify this amendment.

**Mr. Munro:** At the present time, Mr. Speaker, the benefits for 16 and 17 year-olds under the Quebec schooling allowances are the same as the federal youth allowances so there is no problem there. A decision was taken earlier that Quebec would be given tax abatement points and through them could raise their own taxes to pay for their youth allowances program. The tax abatement points were valued at what was calculated to be the gross youth allowances paid out in that particular province. This is possible for the province of Quebec within the ambit of their own jurisdiction, which in this particular case we concede. In other words, they took advantage of the offer at that time but if my recollection is correct other provinces did not. Quebec may set the benefit levels at its own discretion. All this clause does is calculate what would happen if, for example, their benefit levels should be reduced to such an extent that the tax abatement points are worth more. In that case there is an adjustment through a refund to the federal government. If their youth allowances should be worth more than the federal government's value of tax abatement points, then they would have to raise this out of their own resources. That was passed several years ago.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, if the questioning of the minister is completed I should like to say a few words on this amendment. All it does is keep alive the arrangement already made between Ottawa and Quebec with respect to youth allowances. It may alter the terms slightly but in effect it keeps that arrangement alive. It does nothing about the payment of what are now known as family allowances or what will be known as family income security benefits for those under age 16. The minister has made clear that if any change in that respect is to be made, it will have to follow an agreement between Ottawa and Quebec and will have to be achieved through an amendment to the act.

• (1240)

I am not at all scandalized by the idea of letting a province like Quebec have some say about the formula to be applied to family allowances in respect of that province, if there is to be a formula. Hon. members must surely be aware that I favour the principle of universality as opposed to that of selectivity in these payments, but if there is to be selectivity I do not find it offensive to think that a special arrangement might be made with Quebec. I hope, Sir, that you will allow me to speak for a moment or two before you question whether I am in order in my remarks.

I regard as very serious and deplore the way in which old age security programs, family allowances and the Canada Pension Plan are being traded against each other in the negotiations that are taking place.

**Mr. Rynard:** Hear, hear!

**Mr. Knowles (Winnipeg North Centre):** I was particularly concerned when I learned—and I asked questions about