

and this blatant insult to their intelligence will not get him or the NDP very far.

Mr. Speaker, we have talked about the just society. We have talked about licking poverty in this country. I will tell you something about the steelworkers, about these people in the middle income group. They, too, have been joining the chorus of voices that are saying we must do something about poverty. And if we can do something to redistribute more income to workers in the low income bracket, they are prepared to pay their share. That may come as a surprise to the cynics in the NDP. Any member of that party can come to my riding any day of the week and try to fight that issue.

Some hon. Members: Hear, hear!

Mr. Munro: Another misapprehension that the leader of the NDP had was that families on social assistance would receive only half the benefit. I state unequivocally that that is not the intention of the bill, nor does the bill state that. The children of families on social assistance will receive the maximum benefit. What he is talking about relates largely to children in custodial care or in institutions where half the benefit is paid and we share the cost through cost-sharing arrangements under the Canada Assistance Plan.

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the minister, but his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Laniel): It seems to be the disposition of hon. members to allow the minister to continue. This can be done only by unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Munro: Mr. Speaker, I shall not take up much more time. I thank hon. members for the opportunity to finish my remarks.

Mr. Fairweather: May I ask a question at the end of your speech?

Mr. Munro: Certainly. As I was saying, it was stated that this program would not help families on social assistance. I repeat that they will receive the maximum benefit, contrary to what the leader of the NDP stated. I think it was the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) who indicated that although we pay out the maximum benefit for the children of a family living in poverty on social assistance, this will not mean any increased income to that family because the province in turn will deduct dollar for dollar the amount of the increased benefit from its social assistance levels.

Mr. Fairweather: No.

Mr. Munro: That was the suggestion advanced. If the hon. member who just said no had been in the House yesterday, he would have heard a member of his own party say so.

The reply to that statement is yes. Conceivably, that could be done but it would have to be a conscious act or

Family Income Security Plan

policy of the provincial administration, that once such a family received the increased FISP benefit it would deduct dollar for dollar the amount of the increase from the social benefits paid to the family, the cost of which we share. I may say that I have not met in my travels any provincial ministers of welfare who have indicated that under any circumstances they would adopt a policy of that kind. I believe there are very few provinces in which that type of action would be resorted to, so I have high hopes that this measure will add to the disposable income of the people who desperately need more money. I would think that any provincial administration which would adopt such a policy of avarice, such a harsh policy in terms of the low income group, would be repudiated by provincial electors.

Another point that should be clarified concerns how income is calculated. For FISP, your income is the combined net income of husband and wife. This means all payments—

Some hon. Members: Oh, oh!

Mr. Munro: Just hold your "Oh, ohs" because there are more breaks here than some members of the NDP think. This means all payments that both parties receive, but their unavoidable expenses are not counted. In other words, there is every exemption save two counted in assessing income; those two are the personal exemption for one's self, spouse and children and one's medical and charitable deductions. Thus, combined gross income would include the following: wages, salaries, rents, dividends, interest, capital gains plus certain government payments like unemployment insurance, Canada Pension Plan and old age security. Not included in the computation of income are workmen's compensation, veterans pensions, the guaranteed income supplement, social allowance, any insurance award for damages and the family income security payment itself.

So to arrive at net income you subtract all the money you do not really have use of, in other words your non-disposable income. This includes business losses, office overhead for the self-employed, union dues, membership fees for professional organizations, tools and equipment, alimony and child support payments, day care expenses, registered retirement savings plan including payments to the Canada Pension Plan, superannuation and other employee private pension plans, and personal annuity insurance policy payments. This gives you your net income before personal, medical and charitable exemptions. Income for the purposes of FISP is calculated on this basis.

Some hon. member asked: What about the position of farmers and fishermen? Farmers and fishermen compute their family income security payments, so far as income is concerned, in the same way as they compute their income tax. Deductions from gross income are allowed as follows, taking fishermen first: fuel, repairs and maintenance of equipment, including boat, purchase of nets and net repair, capital cost allowance of equipment, insurance on equipment, municipal taxes on a privately-owned wharf and wages for employees on the boat.

For farmers the deductions allowed are as follows: wages to farmhands, cost of livestock purchases, all prop-