

Social Security

implemented quickly". The first has to do with the increases to be made in family allowance payments. We warmly welcome the conversion of the government back to its earlier position on universality. I well recall the castigation that we in this party took some months ago, particularly from the present Minister of Labour (Mr. Munro), because we voted against the FISP bill on second reading in the last parliament. I submit, Mr. Speaker, that that was one of the most useful negative votes that we ever cast. Our action in seeing to it that that monstrosity was not imposed upon the Canadian people, plus the election of a minority parliament on October 30, 1972, has produced now the proposal that family allowances shall continue to be paid on a universal basis, and that those payments shall be subject to income tax, as we ourselves argued in the last session, although in vain, with the present Minister of Labour.

Times without number I have contended, as have my colleagues, that there is real virtue to the principle of universality, for, it ties us together in some sort of social unity, into some sort of community, as opposed to the divisiveness that a means test or income test always produces. That was the position we took last year. I welcome this gentleman who has moved from the back room into the cabinet and who has now presented to us the old idea improved upon, that family allowances shall be universal and that they shall be in the order of \$20 per month, and that they shall be taxable in the hands of those who receive them, so that those in the higher income brackets will pay back a portion of what they receive.

While I am welcoming this increase in family allowances and this sticking with an important principle, I must also say that in our view the principle of escalation should be made to apply to family allowance payments just as we make it apply to many of our social security benefits. I know that it was argued in committee last year that a small percentage increase on a small amount is not very much; however, I believe the principle is a valid one. Just as we contend that old age security payments and others should be escalated, so we think there should be a provision for the automatic escalation of family allowance payments. I say here what I have said with respect to other benefits, namely, that that escalation must not be limited simply to enough to cope with the rising cost of living. It must be an escalation that is in line with the rising standard of living, reflected in such indices as the wage index or the increase in the gross national product.

I point out, Mr. Speaker, that raising the family allowance and making it taxable could have the effect of bringing a considerable increase in tax revenues to the provinces of this country. If family allowances become taxable and if the provinces base their taxation on a percentage of the federal tax, there could be a considerable increase in provincial revenues resulting from this program. I hope that somehow or other that is tied in with the minister's thinking on federal-provincial co-operation. I am glad to see him nodding his head up and down. I hope that the extra money the provinces will get because family allowances are to be on a universal but taxable basis will be used by them for the improvements that they wish to make in their social security programs.

The other of the items announced by the minister which will be acted upon soon has to do with the Canada Pension Plan. I welcome the proposal to increase the maximum yearly pensionable earnings by 1975 to \$7,800 a year. That means that in 1975, or within a year or two thereafter, maximum pension payable under the Canada Pension Plan can go as high as \$1,950 a year. This is a good move. We welcome it and we trust that there is point to the minister's statement that this depends only on a provincial consensus. I was glad he did not say that it would require unanimity on the part of the provinces, but simply a provincial consensus. We also welcome the proposal to remove the ceiling on the annual escalation under the Canada Pension Plan, that escalation now being limited to 2 per cent. Again, Sir, although I welcome most warmly the minister's statement, I must say that it is not good enough just to remove the ceiling, the result of which will be that Canada Pension Plan benefits will only escalate by the amount of the increase in the cost of living. The fact is that wage standards go up more than the cost of living. The gross national product goes up even higher. The time has come for all of these escalation formulas to be based on the wage index or on the gross national product, not simply on the cost of living. The report on the war disability pension recommends this formula. We think it should be introduced in other schemes as well.

• (1440)

When the Minister of National Health and Welfare brings in legislation to remove that ceiling, in other words, to permit escalation to go at least beyond 2 per cent, I hope the same thing will be done for retired civil servants, retired RCMP personnel, retired armed forces personnel and all those who receive a pension as a result of any government pension operation.

Those are the two areas in which immediate action was promised, namely, family allowances and the Canada Pension Plan. The minister will not only have our support and co-operation, but he will have our persistent prodding to see that these things are done quickly. There is no use simply having so many words, announcements and press conferences across the country. What is needed is action.

We have already demonstrated that with a majority of members wanting this kind of a parliament to work we are able to produce more in three or four months than is sometimes produced in three or four years. We want this kind of co-operation on the part of parliament and the minister to continue. We want those things which the minister promised for immediate consideration to be dealt with without delay.

Since the other things listed are only for consideration over a period of time, I will not spend as many minutes on them. May I welcome the suggestion of flexibility for the provinces with regard to the way in which they establish social security standards for their people. The idea is good, particularly now that the provinces are more active and more concerned in this field. But, like the hon. member for Hillsborough (Mr. Macquarrie), I warmly welcome the statement that there should be norms or standards that apply right across the country and that they should be set by the federal parliament, albeit after the minister has consulted with the provinces.