

*Family Income Security Plan*

expressed by hon. members opposite but is also a positive response to many of the letters we have received from some of the welfare ministers in the provinces.

Motion No. 6 (Mr. Munro) agreed to.

• (1220)

**The Acting Speaker (Mr. Laniel):** We will now proceed to the consideration of motion No. 7 but, as previously mentioned, the Chair has reservations as to its procedural acceptability. If hon. members will look at the motion and at the bill, they will notice that in clause 2(1) on page 1 of the bill "benefit year" means any period after August, 1972, consisting of 12 consecutive months commencing with the first day of September. Motion No. 7 proposes to add a new clause No. 20, which would have the effect of suspending the provision relating to a benefit as defined in the bill and provide for payment for a period in advance of the defined benefit year. It is the conclusion of the Chair that this would have the effect of initiating payments in certain cases four months prior to the date which is provided for in the bill and in the recommendation. To my mind this represents a clear financial implication which could not be undertaken without a recommendation. Because of this the motion cannot now be considered.

**Mr. Marshall:** Mr. Speaker, I just want to say that I bow to the position taken by the Chair.

**The Acting Speaker (Mr. Laniel):** We will now proceed to the consideration to motion No. 8.

**Hon. John C. Munro (Minister of National Health and Welfare)** moved:

That Bill C-170, An Act to provide for the payment of benefits in respect of children, be amended by striking out lines 10 to 26 of Clause 23 at page 24 and substituting the following:

"(a) the aggregate of

(i) the allowances that would have been paid under the *Youth Allowances Act*, as it read before being repealed by this Act, during that portion of that year that is before the repeal of the *Youth Allowances Act*, and

(ii) the benefits that would have been paid under this Act with respect to persons described in subsection 3(3) during that portion of that year that is after the repeal of the *Youth Allowances Act*,

and during which that province provided for the payment of allowances or benefits described in paragraph 3(3)(a) or (b), if allowances or benefits described in subparagraph (i) or (ii) had been payable to parents resident in that province; or

(b) the aggregate of allowances and benefits described in paragraphs 3(3)(a) and (b) that were provided by that province in that taxation year,

whichever is the lesser.

(2.1) Where for any taxation year, with respect to any province, the amount of the aggregate determined in accordance with paragraph (2)(a) exceeds the amount of the aggregate determined in accordance with paragraph (2)(b), the amount of the excess shall stand to the credit of that province for the purpose of subsection (2.2).

(2.2) Where for any taxation year, with respect to any province, the aggregate determined in accordance with paragraph (2)(b) exceeds the aggregate determined in accordance with paragraph (2)(a), the amount that may otherwise be recovered from the province for the year pursuant to section 6.1 of the *Federal-Provincial Fiscal Revision Act, 1964* shall be reduced by the amount of the excess, except that such reduction shall not exceed the amount

[Mr. Munro.]

standing to the credit of that province for the purpose of this subsection."

He said: Mr. Speaker, in essence what this amendment is designed to do has particular applicability to the province of Quebec. As hon. members are aware, we gave three tax abatement points to Quebec in lieu of that province raising its own taxes in order to finance its youth allowances. In view of the fact that they have already had their abatement points we are saying here: We will pay you what the FISP benefits would have amounted to if applied in the province of Quebec if you are going to carry on with your own youth allowances program.

Further, what we are now saying is that if they design their program in such a way that they spend in excess of what the federal payments would have been as applied in that province, they have to find that amount out of other revenues that they might have. If they do not spend the same amount as the federal payments would have been in that province, then the credit can be applied against other amounts that have been spent under the program in that province. This provides the province with the opportunity to get credits for underexpenditures that can be applied, on an averaging basis, to what may be overexpenditures in ensuing years. It provides for this type of adjustment on what we believe is a fairly reasonable basis.

**Mr. Knowles (Winnipeg North Centre):** Does this proposed amendment have anything to do with relations between Ottawa and Quebec respecting the payments for persons under 16 years, in other words, who come under the provisions of the Family Allowances Act, under the new FISP, or do we understand that negotiations about such payments are still taking place and that there might have to be an amendment to the act later, depending on what agreement is reached between Ottawa and Quebec? I think this is a pretty important aspect of the matter upon which the minister should enlarge.

**Mr. Munro:** Mr. Speaker, I would be pleased to try to answer the hon. member's question. The negotiations with Quebec on other features of the FISP legislation, particularly referring to those under 16 years, are still continuing. It is our hope that we will soon arrive at a reasonable settlement.

• (1230)

The Prime Minister's letter of June 9 to the premier of the province indicated that we felt that all outstanding issues in this area had been resolved and that we hoped we could now enter into an acceptable arrangement with Quebec, giving them the opportunity, within certain federal limits set out in an earlier letter, to design their program. My latest information is that the Quebec government is considering this and we are waiting to hear from them. If they should respond positively and indicate that they have arrived at a suitable solution to this question, then it might be necessary, as the hon. member implied, to bring forward an amendment to the legislation, probably in the next session of Parliament. I do not expect that all the "i's" will be dotted and the "t's" crossed by the end of this week and, as we all know, we hope to adjourn at that time.