

family income. It could quite easily have incorporated this principle. A child will bring in some \$180 a year at the maximum, and these benefits are taxable.

• (2:20 p.m.)

What might have been a program of substantial help to the working poor, and which might have tied in with a subsequent move toward a more comprehensive plan, seems to me to have been bungled. Above all, in view of the help which the children of low income families need, it seems to me that the government will have some difficulty in justifying why it has removed some \$175 million a year from assistance to families with children.

Without going on at great length, Mr. Speaker, may I say that we see here no effective broadening of the basis of security. We see no recognition of the difficulties that the poorer provinces have in using the Canada Pension Plan to provide an adequate level of support in those provinces. We see no recognition at all of the tremendous load that the government has placed on welfare authorities through the increase in unemployment. There is no recognition, Sir, of the need to encourage people and help them to break out of the poverty cycle other than just a general reference that this is something that is going to be discussed with the provinces.

Sir, one-fifth of the Canadian people are living in poverty today. This white paper offers very little hope to most of them. It offers some to the aged, but much less than could have been done for the children of low-income families. After two years of gestation it is a very inadequate response to the needs of this country.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very glad to be able to say that there are a number of things in this white paper, at least this white paper with a blue cover, that are good. There is another side to the coin, but may I indicate briefly the reason for my opening statement.

There is provision for an increase in the pensions of older people who are in need. This is welcome. There is an increase in what we now call family allowance payments for those whose total family income is below \$8,000 a year. I hope the minister is not thinking I made a mistake. Between \$8,000 and \$10,000 the amount of the allowance tapers off, but for families with incomes below \$8,000 there is an increase. This is welcome.

The proposals to improve the Canada Pension Plan, so far as I have been able to digest them, are all good. Then, of course, there is the usual bowing three times to the provinces assuring the country that co-operation with them will be sought. This is good, but it happens so often that it is hard to get excited about it.

I said that there was another side to the coin. The first criticism I wish to make is that it seems to me that if half as much time had been spent in trying to work out the details of a guaranteed annual income as was spent explaining to us that it cannot be done, we might be farther along the road. If the government will not listen to us I hope it will listen to the delegates at the policy

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conference of its own party who said that they want a guaranteed annual income.

An hon. Member: Pie in the sky.

Mr. Knowles (Winnipeg North Centre): Somebody over there calls it pie in the sky, but that was the position taken at the Liberal conference.

The second criticism I would like to make is with respect to the proposals to improve the Canada Pension Plan. As I say, they are all good, but they are all very much in the future and I get the impression that this book is full of words such as in this very section that tell us how wonderful things are going to be in 1976 and 1977. But the problem is that people are in need right now. In so far as the government relies on the improvements it is going to make in the Canada Pension Plan, I hope it will endeavour to get the provinces to speed up the process of making those improvements.

My third criticism is that this white paper, like so many documents in this field, sets out to help the poor and does so but still keeps them poor. It still provides for two categories of people, those who are self-supporting and those who have to receive aid. I think there are better ways to abolish poverty than by mere subsistence payments such as those set out in this white paper. As a matter of fact, I do not agree that the figures of \$135 per month for a retired single person and \$255 per month for a retired married couple represent the abolition of poverty.

The fourth criticism, Mr. Speaker, is that although the white paper devotes many paragraphs on many different pages to the subject of veterans legislation, those paragraphs are only descriptive. They tell us what has been done for veterans in the past and they tell us the present situation. However, despite the fact that we have been waiting for months for this white paper to get some lead as to what is to be done for veterans, there is no indication of where veterans fit into this total program of income security for Canadians.

Finally, Mr. Speaker, I criticize the decision announced in this white paper, notice of which is already on the order paper, to freeze at \$80 the old age security pension in the case of those who do not receive any portion of the guaranteed income supplement. When you call that bill for first reading, Mr. Speaker, I am going to enter a caveat against its procedural admissibility. I contend that there is a contract between the Parliament of Canada and the people of Canada under which our people, having paid taxes into the old age security fund, are entitled to the benefits of the Old Age Security Act. To cut out, as from January, 1971, the 2 per cent annual escalation is breaking that contract, is contravening the policy laid down by Parliament, and I think the bill should be looked at by Your Honour from that standpoint.

I remind the government and I remind the House that Mr. Pearson, Miss LaMarsh, the present Minister of Finance and the present Secretary of State for External Affairs, during the debates on the various bills that have