

*Family Allowances*

individual. Even with that complication which accounts for a good deal of the wordage of this bill, it is a small price to pay and we welcome its general simplicity, as well as the fact that we are back to the kind of legislation that we had in 1944 which simply says that for every child in this country up to a certain age there is to be a family allowance of \$20 a month on the average.

● (2040)

Having said that, having made the point that the average is to be \$20 a month, perhaps I may be pardoned if I spell out the obvious and say that the result apparently will not be the same in respect of every child. In eight of the provinces of Canada, and in the Yukon and the Northwest Territories, the amount will be \$20 per child, whereas in the province of Quebec and the province of Alberta there will be some variation, according to the wishes of those provinces, provided it adds up to the same amount in total, namely, an average of \$20 for each child.

Not only is this bill simple in the sense that it provides for the payment so directly and really needs very little language to spell it out, apart from the flexibility pages, but it is very simple in its approach to the question of selectivity through the use of the income tax formula. I remember very well how, during the debate on FISP in the previous parliament, we pleaded for this formula to be accepted. We argued at all stages of the debate that a flat amount should be paid in respect of every child, on a universal basis, and that the way to make sure that the wealthy did not get more than they needed, the way to even things out if they needed to be evened out at all, was by means of the income tax system. We were even prepared to have a special income tax, if necessary, to make sure that this evenness was achieved.

The then minister of national health and welfare, now the Minister of Labour (Mr. Munro), stood in his place and said that this was so complicated, so ridiculous, and that the government should not be asked to put out huge sums of money with one hand, then turn around and with the other take some of it back in income tax. No, it could not be done in that previous parliament, that majority parliament, when the present Minister of National Health and Welfare was in the back room, instead of out front where he could do things. The present Minister of Labour said it could not be done. But this afternoon the new Minister of National Health and Welfare stood up and with great pride—part of that speech that he so enjoyed making—told us that the total amount to be paid out in a year under the new bill would be \$1,830 million.

In the same section of his speech the minister told us, his voice still reflecting pride, that the estimated tax recovery would be \$350 million to the federal treasury and a further \$115 million to the provincial treasuries. Last year it could not be done, it was too complicated, it was crazy to pay money out with one hand and take it back with the other. In the previous parliament, when we tried to get the former minister to increase the basic amount of old age security we were told that was not the way to do it. But this minister, in this parliament of minorities, sees the light and realizes that it is sensible to make payments of this kind on a universal basis; any problem that is created because certain wealthy people get the payments can be taken care of through income tax.

[Mr. Knowles (Winnipeg North Centre).]

I congratulate the Minister of National Health and Welfare on being minister in a minority government. I enjoy the smile he is giving me right now. I suspect I have said things this evening that he has thought about himself. I suspect he realizes that if that party had won a majority on October 30, he would not be having the good time he is having in this parliament.

The minister does not mind being castigated by the hon. member for Hillsborough for bringing in too much welfare. The minister is enough of a social scientist to know that it is not welfare, but redistribution of income. Despite all the complaining that comes from the Tory benches, he is able to do this, not because he has a different Prime Minister (Mr. Trudeau), not because the cabinet has changed its view, but because this is a minority parliament, and a government that wants to stay in power has to decide whether it will go the Tory way or the progressive way in social welfare. The government seems to have decided, at least for a while, which way it had better go.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I have been giving some of the reasons why we have been welcoming this legislation. I might say we are proud of it. After all, we have had a good deal to do with forcing the hand of the government in this matter. May I go on and say that the basic philosophical reason for our support of this legislation is that far from its being the welfare that the hon. member for Hillsborough calls it, it is, be it ever so little, a measure for the redistribution of income.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): True, when you pay out welfare benefits on a means or needs test, it is welfare; but when you pay old age security to every person in Canada who is 65 years of age or over, when you pay family allowances to every family in this country that has children, that is not welfare; it is an attempt to effect some redistribution of income in this country which, to begin with, is so unevenly distributed.

My friends in the Progressive Conservative Party should think a bit about this and not see every payment that is made, especially those payments made on a universal basis, as just welfare. I get the impression that they really do not like it. I wonder just where we would be going if they were sitting on treasury benches instead of sitting on this side.

An hon. Member: Ahead.

Mr. Knowles (Winnipeg North Centre): Some of my friends who have not taken part in this debate say that we would be going ahead, but the spokesman for their party has made the position of that party on this issue very clear. This kind of thing is just welfare to them. They want higher minimum wages and such measures. They want tax concessions to corporations, but they do not call that welfare. When we vote universal concessions to the wealthy through corporation taxes, they do not call that welfare; that is getting the economy rolling.

An hon. Member: Job creating.