

basic social right and would avoid the division of these families into the "haves" and the "have-nots"—

Mr. Munro: What happens if you pay it out and then take it all back?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I am prepared at any time to deal with that at length. What I am pointing out now is that the minister misled the House when he told us that the Canadian Council on Social Development supports this bill.

Mr. Munro: I did not say that.

Mr. Knowles (Winnipeg North Centre): Let me finish the sentence I was quoting.

—would avoid the division of these families into the "haves" and the "have-nots", eliminating any element of stigma in receiving the payments. This result is certainly evident in the present family allowances program in which the entire "community" of such families participates.

I find the same kind of comment in a statement on income security prepared by the National Council of Welfare which was also issued in April, 1971. I am looking at page 18. This is the kind of criticism I would make of this plan. It is the kind of criticism I made of the guaranteed income supplement proposals. Here it is, from this important body, the National Council of Welfare, set up under federal legislation:

• (1510)

The proposed family income security plan is very much similar to the OAS-GIS revision in that it proposes that the increased benefits for the poor with families be financed by the not-so-poor with families. This presumably explains its total lack of even pretensions to adequacy.

We have called it a redistribution of poverty. There we find the proposition clearly stated by the National Council of Welfare. The minister also quoted what the Canadian Labour Congress said when it appeared before the Senate Committee on Poverty about the desire for a more realistic approach to family allowances. He tried to paraphrase this into support for the bill before us, but even by paraphrasing he could not do so. The position of the CLC is that family allowances should be related to the cost of rearing children. Yes, the plan should be more realistic and imaginative but the Canadian Labour Congress has never supported the idea abandoning the universality feature of family allowances.

Up to this point, Mr. Speaker, I have been trying to set the record straight with regard to what some outside bodies have had to say on this matter. Now I should like to say a few words about the legislation before us. There is one feature of it that is good. It provides for higher allowances, at least to those who will receive allowances. It is a crime, as the hon. member for Simcoe North said, that the rate has not been increased long before this. Except for the reduction from four categories to two it has not been changed since 1945, and it is good that a change has at last been made. But that is about the end of my capacity to say what is good about this bill.

Let me point out some of the things that are wrong. First, the complexities of this scheme make it just about unworkable and will make it incomprehensible to most of the Canadian people. Families will need computers in

order to figure out their entitlement. What is the information which would have to be fed into these computers: the number of children, first of all, and just where they fit into the various age brackets. Next, statistics about the family income, and in the case of persons whose income is not steady from year to year estimates will have to be included because this will affect the point of cut-off and the amount of benefit per child. As the Canadian Labour Congress says, this will produce anomalies and difficulties out of keeping with all the fuss the government is making about the change.

The minister likes to speak of this bill as if it were a means of helping the poor. Mr. Mackenzie King, too, wanted to help the poor. I am glad to see the right hon. member for Prince Albert (Mr. Diefenbaker) has come in and is now in his place. I want to tell him that earlier this afternoon references were made to the origins of the family allowance legislation, and I recalled certain incidents in 1944 when the bill was put through the House. I mentioned that only three of us who were there at that time are members of the House today—the right hon. member for Prince Albert, the hon. member for Ottawa Centre (Mr. McIlraith) and the member for Winnipeg North Centre; and we three voted for it.

Mr. Diefenbaker: That is one occasion when we were all right.

Mr. Knowles (Winnipeg North Centre): Yes, we were right then and we are right now. I was saying that the minister talks about doing something for the poor. That is a very nice line of talk but it is pretty hollow when one considers what the government has done in the field of income tax. What was done in Bill C-169? We provided for a 3 per cent tax reduction for individuals, amounting to a few dollars for the poor and many dollars for the wealthy. That is characteristic of the whole income tax structure. The small attempt to reshuffle which is involved in the bill before us does not counteract the basic unfairness of the income tax structure as far as ordinary people are concerned.

What I dislike most about this bill, though, is the decision once and for all to cut off payments at certain levels of income. I know there is a lot of popular support for this idea, especially from those who are below the levels set in the bill, although not so much from those whose incomes are just above those levels. My objection is not so much to the administrative difficulties which are encountered or the complaints we shall undoubtedly receive from those whose incomes are in the \$11,000 to \$14,000 a year range. There will be lots of them; people will write to us about their special circumstances, complaining that even though so-and-so earns \$1,000 less, certain conditions which affect them and do not affect the other person make it unjust that one should get the allowance and another should not.

My real concern is that we shall be moving one step further toward the idea that our security and welfare programs must be placed on a basis of selectivity rather than universality. The minister speaks at length when we get into this argument and thinks he has it over me like a tent because he can announce three points, three principles or priorities governing the way in which programs