

Family Allowances

The second positive thing I see in the bill is the introduction of demogrant for the first time, and that is something that this party has wanted for a long time. Exemptions in our tax system tend to help people in the upper income bracket and not the low income people. The tax credit system will help the low income people more than the wealthy, however, and that is a good thing.

● (1742)

I am trying to be constructive and positive. We have a demogrant and that will be paid to people whether or not they file their income tax returns. I see the hon. member for Battleford-Kindersley (Mr. McIsaac) and the hon. member for Meadow Lake (Mr. Cadieu) in the House. In their ridings and mine people tend to have large families and do not file income tax returns because they are very poor. Often the poor have large families, as any sociologist would know. I think particularly of the Indian and Métis people in my riding. For example, if there are six children in a family the amount is \$200 per child, or \$1,200 in tax credit. I think that is good and a step in the right direction.

We always argue in this party that to stimulate the economy it must be stimulated from the bottom up. Money should be put into the hands of the low income people because they will spend that money buying consumer goods, which in turn stimulates the economy and produces jobs. That, too, is going in the right direction.

Fourth, this bill protects the concept of universality. Everyone will still get part of the family allowance. The amount is \$20 a month, which I think is good to keep, but I will comment on this later.

Fifth, contrary to what the parliamentary secretary was saying, the basic family allowance will continue to be indexed and, even though it will be reduced from \$26 per month to \$20 per month, it will go up according to the increase in the cost of living in 1980. These are what I see as the six positive things in the bill before us.

I now come to the questions I have about the bill. At this point I hope the Minister of National Health and Welfare (Miss Bégin) will take me as seriously and responsibly as she did when I was talking about the positive aspects of the bill before us.

I am concerned over whether or not she has an agreement from the provinces that they will not use the extra money the welfare recipients will receive as an excuse to cut the welfare payments to the low income people. She mentions Saskatchewan. I have the right to believe that in Saskatchewan that probably will not happen. Our party has already talked to members of the Saskatchewan cabinet—

An hon. Member: Did you make a phone call?

Mr. Nystrom: —to at least two very influential ministers. I am optimistic that they will not do that. At least I hope they will not do it, and believe they will not.

[Mr. Nystrom.]

An hon. Member: You made the phone call.

Mr. Nystrom: It was not a phone call. We happen to see people personally.

Mr. Knowles (Winnipeg North Centre): Talk to the one provincial Liberal government.

Mr. Nystrom: We have nine other provincial governments in this country. Is the Minister of National Health and Welfare attempting to get any commitment from the provinces to the effect that when those on welfare get the extra \$200 per child, that this amount will not be taken as normal income and deducted from their welfare payments? If it is deducted, Mr. Speaker, it nullifies the whole impact of this bill before us today. It nullifies it for the people who are the most needy. As a result it does not become a redistribution of income nor does it become a redistribution of wealth. The answer to that question, I think, is fundamentally important in terms of how we, as parliamentarians, judge the progressiveness of this bill.

Miss Bégin: The answer is yes.

Mr. Nystrom: The answer is yes. Does the minister have a commitment from the provinces that they will not do that?

Miss Bégin: That is not your question. I took up the matter with the provinces and we have a meeting on that.

Mr. Nystrom: The minister says she has taken the matter up with the provinces, and I commend her for that. But I want to make sure that she has a commitment from the provinces because the federal government, after all, does pay 50 per cent of the welfare costs.

Under the Canada Assistance Plan I think the minister has a big enough club to hold over the provinces to say to them, "Look, we want to change fundamentally one part of the social welfare system in our country, and we damn well demand you go along with us and that the welfare payments to the poor people not be reduced by \$200 per child."

As the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) said, we in this House have a right to get the answer to that question from the minister, who in turn has a right to get it from the provinces, before the bill passes.

As I have already mentioned, I think this House has a clout and can say to the provinces, "This is what we want. We want to put more money into the hands of the poor people of this country, and we insist on your co-operation".

As the member for Broadview has already pointed out, we are concerned about the discounters, the usurers, the rip-off artists who may go to a mother and say, "You have four children. That amounts to \$800 that you will be getting in terms of a tax credit. We will lend you the money, but we will charge you an excessively high interest rate." If that happens it nullifies—

Miss Bégin: It is limited to 15 per cent now.

An hon. Member: Per quarter.