

Family Income Security Plan

and the Liberals are attaching to the increased allowances provided in this bill.

In the first place, despite all the persuasive language the minister used when he said that this is not a means test but an income test, the fact remains that it is a test to which people must submit themselves. Indeed, it is so far from the simple arrangements that have been in effect under the Family Allowances Act that I still cannot understand why the minister has brought in the bill.

Earlier today while thinking about the speech I intended to make this afternoon, which was to be different from the one I am now making, I went into the files in my office. Actually, I intended to pull out a copy of the original Family Allowances Act which Mr. King brought in in 1944 and to see what else I had in my files. I was amazed to see how simple the bill was—just a few pages, and there it was. But as I looked into my own files I discovered that in the 27 years since that legislation came into effect in 1945 I have not had ten letters from people complaining that they were not getting the right amount or that they were not getting the family allowances to which they were entitled. There were many letters calling for higher allowances, but almost none dealing with administrative errors.

We all know the kind of correspondence that we have been getting recently about unemployment insurance. We all know the kind of correspondence we receive about veterans pensions and allowances. We all know the kind of correspondence we have about problems experienced by our old age pensioners. Yet in a quarter of a century we have had precious little correspondence as members of parliament about family allowances cases because of the very simplicity and directness of the legislation that was brought in in 1944 and which was put into effect in 1945.

Under this bill we have a set of rules and conditions that I defy any member of the House, having read the bill three or four times, to comprehend. Under the old system, if you had a child of a certain age you got a certain allowance and that was it. Under the new rules you have first of all to consider the level of income of the family. During the latter part of his speech the minister made quite a bit about the limits on income for family allowance purposes being not as severe as we think they are. He went on to read off a long list of items. In effect, he was telling us that the definition of income under the family income security plan will be the definition of income used in the Income Tax Act. There might be one or two differences but in the main the definition is the same.

So that is where you start; you have to find out what is your level of income. You then have to face the fact that above a certain point, for every \$500 in the family income there will be a difference in entitlement or in the amount of the family allowance. Even within the \$500 range we will have to face the fact that every \$100 difference in income can mean a difference of 33 cents per month in the amount of the family allowance. Then you will have to consider how many children you have, what their ages are, what happens when they move from one age to another, and so on.

[Mr. Knowles (Winnipeg North Centre).]

• (1650)

Then there is this very interesting system that has been developed in the bill in which there are extensive references to the benefit year and to the base calendar year. The benefit year starts on September 1 and continues until next August 31. That is the period for which you get your allowance at a fixed amount, except that nothing is really fixed. The amount you will get in that benefit year from September to August in most cases is determined by what your income was in the base calendar year, which is the calendar year that ended eight months before the benefit year began. However, there will be many people, in fact I would say many thousands of people, who will find it difficult to base their claim on that base calendar year which, as I say, ended eight months before the benefit year began.

So there is a possibility of substituting for the base calendar year the current calendar year, but the conditions under which you can make that substitution take several sections to spell out. Then under certain conditions, if you cannot estimate your income for the full amount of the current calendar year you can submit what your average income is for a certain number of these months and multiply it by a certain figure, getting an estimate that will be accepted.

Then there is the whole question of what happens to people when their levels of income change, especially the working people of this country, the people whose wage rates may go up a few cents an hour or who may have a bit of time off, a lay-off, and so on. It does not take very much of a wage increase to amount to \$500 a year. You will probably have cases where employees will be wishing the increase were \$490 a year instead of \$510 because of what it will do to the family allowance.

The point I am making is that the items which will have to be fed into a computer will be legion, and it was the minister himself this afternoon who talked about putting these things into the computer. Any suggestion that it is a simple arrangement, as simple as the guaranteed income supplement—and even the simplicity of that I deny—is inaccurate. It is suggested that this is a lot simpler, but what it means is that you have here a complicated system which will cause the recipients of family income security plan benefits to be completely ignorant of where they stand.

I say to the minister—and this was the kind of thing I intended to say when my speech was being planned, before he made his—that within three years of the time this bill comes into effect some minister of national health and welfare will be coming into this House seeking legislation to change it. Some minister will be coming in saying it is utterly too complicated and too unworkable, that we have to simplify it and go back to a system whereby the amounts are paid out and any recoveries that are to be made are looked after at the end of the year or through the medium of income tax.

When I was talking earlier about all the complications, I forgot to mention the question of recoveries and overpayments. The minister made some reference to these this afternoon. Sprinkled through the legislation—the public will be aware of this and it will have to be in the pamphlets put out—are references to the penalties which can