

*Family Allowances*

basis of which it has taken an adamant position. That was the situation when the present Prime Minister was putting up his fight in 1920. The Prime Minister, then the leader of the opposition, said on that occasion that whatever the technical position might be, morally these men had a claim, and he insisted upon his right as a member of parliament to fight this thing through until justice was obtained for them. He put up his fight in parliament—

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. MACKENZIE KING: May I say to my hon. friend, on the matter he has referred to, my recollection is that I claimed that the men had not only a moral right but a legal right. An agreement had been entered into when the strike was called off that the men would be reinstated in their former positions. Their former positions meant that they would be reinstated with all the rights they had at the time they went out. The company after the settlement took the position that the men had lost their pension rights by going out. I claimed that was not reinstating them in their former positions. Their former positions meant that they should get back their pensions. Not only did I succeed in getting that, but their pensions for the intervening period of ten or twelve years were paid. Where some of the men had died in the interval the money to which they had been entitled was paid over to their estates. Where they were living they got what was owing on account of pension with interest, if I am not mistaken.

Mr. KNOWLES: May I have a moment to say that the Prime Minister's recollections are substantially correct, except on this point. I think he will find that he took the position that whether or not there was a legal responsibility in that case, the moral responsibility was so strong that he as a member of parliament intended to fight it through until he won. He did not succeed while he was in the opposition, but when he formed his government in 1921, one of the first things he did was to implement the fight he had put up in 1920. I congratulate him on that. My suggestion is that if now, in 1944, he is going to boast of what he did in 1920, this other case is so strikingly parallel I feel that his government must take a hand in it as well. He cannot rest on past laurels. I have drawn the matter to the attention of the Minister of Labour (Mr. Mitchell) on the two occasions to which I have referred, and I trust the Prime Minister will associate himself with the fight I have been putting up on behalf of these men.

[Mr. Knowles.]

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, we in this group believe that the principle of family allowances paid for in their entirety by the national government is entirely sound, and therefore we will support this bill. However, that does not mean that we are entirely satisfied with all the provisions of the bill, but we will deal with them when we are in committee. Personally I am not very much impressed with most of the criticisms that have been levelled against this measure. For example, it is argued that one of the provinces will benefit to a greater extent than the others. The same people charge that this is a form of appeasement to Quebec. I do not think that is a fair criticism. If the principle of the bill is sound, and I believe it is, that these allowances should be paid as a right, then what difference does it make where children may live, whether they live in the east, west or centre. As time goes on, that is a situation which may very well change. After all, it is a situation that is fully under the control of the people residing in the respective provinces. They can change it as they so desire.

Then it is argued that this will mean a lowering of wages. I agree entirely with the Prime Minister (Mr. Mackenzie King) when he emphasizes the fact that that cannot be the case because it is always understood that an increase in purchasing power will tend to increase production, and that will tend to stimulate employment. Of course when you stimulate employment you strengthen wages. Then again it is argued that it may mean an increase in taxation. So far as that is concerned, I would say, not necessarily so. It will depend entirely on what the financial policy of the government may be after the war. If we are to try to go back to balanced budgets, then in all probability there will be an increase in taxation. Doctor Cyril James, chairman of the advisory committee on reconstruction, emphasized the fact that if we hoped to have full employment after the war we shall probably have to have an increase in the national debt for the next hundred years. Therefore there is no reason why there should be any increase in taxation.

What I do want to emphasize is the fact that if we do have an increase in taxation it will destroy the very thing we are trying to do by this bill, that is, increase the purchasing power of the people. I certainly hope there will be no attempt in this country to increase taxation on the lower income brackets, as has been done in New Zealand. We have a different situation in this country. We can provide