

Family Income Security Plan

tics Canada and manpower and immigration are all implicated in the bill.

A massive advertising campaign will be required to inform the public of the changeover, undoubtedly in flattering terms to the Liberal party, and will have to be continued on a large scale to keep the public constantly informed of their rights and to warn them of the newly-created wrongs that they could commit.

The potential recipients of benefits will be burdened with two economic, if not financial, costs. The first is the cost of acquiring the information they need to take advantage of the scheme. The second is the cost involved in doing all the paper work imposed on them. More and more people every day are spending more time working for the government. There are seven distinct circumstances when a statement or a form must or should be filled out and sent to the department, depending on whether you want the family allowance, whether your income has gone up or down "substantially", as the bill puts it, whether during the year your income has changed, how many children you have and how old they are.

Let us look at the administrative jungle created, Mr. Speaker. First, all applications for family allowances must be checked to determine the eligibility of the applicant. Second, in the case of eligible applicants the benefit payment must be calculated on the family income and age of the children. Third, in the case of non-eligible applicants appeals and explanations must be handled. Fourth, appeals regarding the amount of benefit must be handled. Fifth, statements involving a substantial increase or decrease in income must be processed, with appropriate adjustments to benefits. Sixth, divorces, separations and marriages of recipients must be reported if family income is affected. Benefits must be adjusted. Seventh, adjustments must be made in benefits when estimated income differs significantly from actual income. Eighth, an administrative machinery must be set up to recover benefits paid out to ineligible persons. Ninth, an administrative machinery must be set up to detect frauds involving misrepresentation of income, misrepresentation of the number of children, misrepresentation of the age of the children, failure to report income increases, and failure to report deaths or marriages. Lastly, an administrative machinery for liaison with the provinces will have to be established.

I should like now to refer to some of the comments made by the Canadian Council on Social Development in relation to the white paper that preceded this bill. The council has set forth some guiding principles, and I want to put these principles on the record. The first principle is that family allowances should be universal. This is the main argument of the New Democratic Party. Family allowances should be universal, paid to all families with dependent children as a social right, thus avoiding divisiveness among families and any element of stigma. The present program has this feature but FISP would eliminate it.

The second principle is that there should be equity in relation to family responsibilities and to the financial and other resources of families. Three criteria cited by the federal white paper entitled "Income Security for Canadians" are, size of family, age of children and family

[Mr. Blackburn.]

income. Of these, the present program takes age only into account and FISP considers only income. Third, there should be the maximum feasible simplicity and efficiency in administration. What I have just mentioned very briefly about the problems that will arise in administration certainly serves to prove, or will eventually, that we in this party are perhaps right, and certainly the council itself. Fourth, the program should be as fully compatible as possible with long-term social and fiscal policies. This is not evident in the FISP proposals. Fifth, the program should have a built in escalation clause to meet the full amount of annual rises in the cost of living. This feature is not included in either the present family allowances program or FISP.

I mentioned at the beginning of my speech that if one compares the purchasing power of money today with the situation in 1945 when the original Family Allowances Act was passed, one finds that at that time \$6 went as far as \$15 to \$18 does today; \$8 went as far as \$20 does today. This is another criticism that I have: there should be a built in escalator clause. With regard to income tax exemptions for dependent children, the council stated that the primary purpose of the exemption is to reduce the tax burden on low income families, but its value increases with the income of the taxpayer. It should be eliminated for children under 18 as a logical first move toward closer integration of the social security and taxation systems. Then, under the heading of taxation of family allowances, the council suggests that family allowances should be taxed,—this is not part of the present program but is proposed by FISP—the tax system taking into account not only income but also the number of children, a feature that is not included in the FISP program.

With regard to universality and selectivity, the council believes in "selectivity within universality" in favour of people of low income. It sees no contradiction here since equity requires that the level of the allowances be related to family resources. FISP proposes to achieve selectivity through grading the allowances; that is to say, selectivity from the bottom up. The council proposes flat rate allowances, graded indirectly according to income through a special tax schedule, which we can call selectivity from the top down. This method also has the virtue of a comparatively simple and cheap administration.

I have pointed out some of the weaknesses in the FISP program and have criticized it for not providing greater benefits for the needy. I have criticized it for eliminating the principle of universality, and in conclusion have outlined some of the recommendations put forward by the Canadian Council on Social Development.

• (1520)

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I had little or no desire to take part in this debate until I heard the Minister of National Health and Welfare (Mr. Munro) speak yesterday. I hope he will return to his seat in the Chamber before I have concluded my remarks because there are some things I should like to say directly to him, I support all that has been said by my colleagues in our opposition to this bill. We oppose it for many reasons, the main ones, as have been pointed out repeatedly and will continue to be pointed out, being the