

Family Income Security Plan

Mr. Rynard: It is rather interesting to think of the sinister motives which might lie behind the government's action, in view of the fact that today is the day of the Newfoundland election. It is peculiar that they should have taken this long to introduce it. It is a good thing that the Newfoundland election is today or the bill might have been delayed longer.

Is it not peculiar that there is no date set for implementation in the bill? The minister never gave any indication as to when he was going to implement it, nor is there any date established for the signing of agreements with the provinces. When the Newfoundland election is over, will the bill be left on the order paper with just a few days debate? These are questions that should be answered. I am disappointed in the minister. I like him; he is a nice fellow, but he did not give us very much to go on.

• (1430)

As to the bill itself, there is no quarrel with the fact that families with children have needs that families without children do not have. No one quarrels with this, particularly when one considers that in the year 1944 some 84 per cent of Canadian children under the age of 16 were dependent on only 20 per cent of the gainfully employed. Unquestionably, this plan helped to ensure a little more income for the family unit, while avoiding grants that would diminish work incentives. That was the picture in 1944. Now, we see the minister penny pinching, and not even maintaining family allowances at the original level of their purchasing power. Of course, these allowances which are received by families are used to buy consumer goods, thus helping the economy of the country as a whole.

When family allowances were introduced on July 1, 1945, every child under the age of 16 years who was born in Canada, or who had resided in Canada for one year and complied with the school children attendance laws of the provinces, was covered. Later on, the one year's residence clause was eliminated if the child was supported by an immigrant who had permanent residence in Canada, or by a Canadian returning to Canada to live permanently. The family assistance was paid for a period of one year until the child became eligible for family allowance.

Over the years changes have been made. When family allowances were first introduced, the benefits were \$5 up to age six years, \$6 from six to nine years, \$7 from ten to 12 years, \$8 from 13 to 15 years, and monthly allowances were reduced by \$1 for the fifth child, \$2 for the sixth child and \$3 for the seventh child. These restrictions were removed in 1949. In 1957, the regulations were again changed, and the new rates were \$6 up to ten years and \$8 from 10 to 15 years. Some of the provinces also had their own supplementary benefit plans.

In December, 1970, the government issued a white paper setting out a cut-off point at an income level of \$10,000 per year. Monthly benefits would no longer be paid according to the age of the child, but would be regulated on a sliding scale according to income. Family allowances were to become taxable, and youth allowances were to remain unchanged. That is one good thing the minister has done, but it is amazing that, on one hand, the government taxes unemployment insurance benefits and other benefits, and

[Mr. Béchard.]

on the other hand, does not tax these benefits. This is a hodge-podge jungle that we are getting into with some things being taxed and some things not being taxed.

The white paper recommendations were never put into legislative form. Bill C-264 was introduced in the House of Commons in September, 1971, as I have stated, and it retained some of the features of selectivity, and included 17 and 18 year olds. In brief, Mr. Speaker, family allowances would be paid to all dependent children under 18 years according to family income, with a limit of ten children for a family with an income of \$15,000 per year. Up to age 12, maximum benefits would be \$15 per month, and for ages 12 to 17 years benefits would be \$20 per month. The family gross income floor was set at \$4,500.

I would like the minister to tell me how he picked that figure of \$4,500? Why wasn't it \$5,500 or \$3,200?

Mr. Munro: I took the poverty line from the economic conference study.

Mr. Rynard: What year was that fixed?

Mr. Douglas: It is a sliding scale, too.

Mr. Rynard: That is correct, and it is my opinion that this sliding scale will necessitate a great increase in staff. I think the minister himself admits that it will mean a doubling of staff. There will be a bureaucratic administration, the cost of which will be high and which will not benefit the family. The cost will be extracted from the taxpayer. This bill alone will involve the expenditure of around \$800 million in its first year of operation. I do not think the minister gave this figure.

Mr. Munro: Eight hundred and twenty million dollars.

Mr. Rynard: I note that the government has anticipated more than a doubling of staff. I think I am correct in stating that around 1,500 people will be required to administer the scheme. This will cost the taxpayers \$12 million for administration. It is a bureaucratic jungle.

Mr. Munro: The cost of administration is only 1½ per cent. It is better than any private scheme.

Mr. Rynard: Could these things not be all put together rather than have a mish-mash like this? Can they not all be placed in one department? Sometimes I wonder if the ministers ever get together and talk things over. In the field of welfare, we are getting into an administrative jungle. I believe it was the hon. member for York East (Mr. Otto) who said that less than 10 cents out of every dollar goes to the person who needs welfare. I do not think that has been disputed. As a matter of fact, I believe the figure is about 9 cents out of every dollar. When I see some of the things that are being done today, I wonder how long we can continue on our present path. It is my opinion that an income security scheme, administered through the income tax structure, could accomplish the desired end as effectively. It would decrease the number of administrative bureaucracies connected with welfare. In effect, it could wipe them out.

Turning to another point, Mr. Speaker, recently the minister told me that he would have enough nurses trained and put into practice. I wonder what fees he will