

minister of national health and welfare, placed a proposal before us which would have introduced a means test into the family allowance scheme. It would have cut millions of ordinary Canadians from the benefit of the legislation. The NDP and the NDP alone voted against the proposal on second reading precisely because such a step would have been socially divisive; it would have been followed, in my judgment, by severe disruption of support for any social legislation which might have been introduced in subsequent years.

I say this to the minister. I hope I am preaching to the converted. He is a different minister and he has brought in a different package, despite the fact he is a member of the cabinet which put forward the plan we criticized so strongly a year ago. I, for one, hope the government does not bring in legislation in the social field or any other field which imposes a means test as a condition of benefit, such benefit being provided by the generality of the taxpayers. That kind of legislation will not get the support of the New Democratic Party. It is the sort of legislation that has been passed in other countries in the world which, instead of creating a sense of community, a sense of co-operation and fellowship among citizens, creates barriers and divisions. It creates antagonism toward government social schemes of all kinds and as such is the kind of legislation that the New Democratic Party cannot support in any way.

● (1530)

I read with interest the speech of the hon. member for Hillsborough on Friday last. When he pointed out that the present bill had universal application and did not involve a means test, he said: "For that we may be profoundly thankful." I would remind him that it was his party, the Conservative party of Canada, which just one year ago in this House supported the kind of legislation that he condemned here last Friday. It was the Conservative party of Canada, the hon. member's party, that supported a family allowance scheme that was based on a means test. I, therefore, welcome the hon. member for Hillsborough to the halls of the converted. I am glad he now accepts that family allowances should be applied universally rather than through a system that involves discrimination in the form of a means test. We, too, join with the hon. member for Hillsborough in welcoming the universal application of this particular scheme. At this point I shall leave that aspect.

I want now to deal with the legislation in a broader context. No matter how immediate and pressing are our needs, particularly in relation to food costs and housing, whether a person lives in Labrador, Halifax, Vancouver, Oshawa, or any part of rural or urban Canada, the fact is that within, I hope, a matter of months, to put it in a realistic context, inflation will be brought under some meaningful control in this country and the economy restored to a more stable or constant level, to the kind of situation where we are not continually preoccupied with how to beat inflation. Once we restore conditions to near normality the real effectiveness of this particular family allowance measure, it seems to me, will then be tested. What this kind of proposal does, or ought to do, is to redistribute income from upper income citizens and corporations to the average citizen and the poor in Canada, so

Family Allowances

that there is created within this country a more equitable society in which there is genuine equality of opportunity for our children to develop their talents and capacities. The real test of this legislation, therefore, which will come when another provision takes effect from January 1—what I might call stage two—will be: Does this bill move us toward a redistribution of income in Canada or does it not?

Before answering that question, I should like to put before the House some statistical information relating to the present situation in Canada. After many years of legislation since the second world war, introduced by governments at the federal level and also at the provincial level—though I am speaking principally of this federal institution—have we had a redistribution of income in Canada? The answer to that question is a resounding no.

I should like to present to the House statistics showing allocation of income prior to taxes for the years 1951 and 1971. Let me take first the lowest 20 per cent of the population. In 1951, the bottom 20 per cent of the population had 6 per cent of the disposable income before taxes. In 1971, after 20 years of a variety of Conservative and Liberal governments, this bottom 20 per cent still had only 7 per cent of the disposable income—a gain of one per cent after 20 years.

The next 20 per cent of the population had 13 per cent of the disposable income in 1951, and in 1971 still had only 13 per cent. The middle 20 per cent had 17 per cent in 1951, and in 1971 this percentage had increased to the colossal figure of 18 per cent. The fourth 20 per cent, going upwards in the distribution of income, had 22 per cent of disposable income in 1951, which by 1971 had risen to 23 per cent. We then get to the group of Canadians who are struggling to eke out an existence in this country, namely the top 20 per cent. In 1951 they had 41 per cent of the disposable income, twice the amount that their percentage of the population, in one sense, would seem to warrant. In 1971 this figure had dropped the grand total of two percentage points; they still have 39 per cent of the disposable income before tax.

I remind hon. members once again that we are talking here about family allowances. There were originally intended by the Liberal government of 1944 to provide for real equality of opportunity among young Canadians. If we are concerned to have genuine equality, then we should all be shocked and dismayed by the foregoing. After 20 years of pretty high prosperity in Canada we still have a situation where the top 20 per cent of Canadians have 40 per cent of disposable income in Canada, whereas the bottom 40 per cent of the population have only 20 per cent of the disposable income. There has been virtually no change in the distribution of pre-tax income in Canada during the past 20 years, and I think we should seriously concern ourselves with this fact.

I now pass on to deal with what is seen by many, both in this House and outside, to be an important means of curing this situation. Rather than have a national incomes policy, for example, many people contend that all we have to do to rectify the maldistribution of income that occurs before taxes are applied is to continue to have progressive taxation of the kind that gained some popular political support in the 1930's. This is particularly an argument—