

Income Tax Act

Canadian businesses received 4.4 per cent of the total income; in 1969, 4.3 per cent; in 1973, 3.9 per cent; and by 1974, 4 per cent. So that from 1965 to 1974, despite the so-called transfer of payments that are supposed to have gone to the lower income groups in this country, we have had a diminution of income in those groups.

● (1640)

As a matter of fact, in 1974 not only were the bottom 20 per cent receiving only 4 per cent of the total income, but the second lowest fifth of the population, according to a recent Statistics Canada release, received only 10.8 per cent. So what we have here is a very unequal distribution of income in the Canadian economy. In other words, 40 per cent of Canadians are receiving only 14.8 per cent of the total income. When you look at the people at the top of the income bracket in this country, you find that in 1965 the top 20 per cent, or one-fifth, were receiving 41.4 per cent of all the income; in 1969 they were receiving 42.6 per cent; in 1973, 42.7 per cent; and the latest statistics available from Statistics Canada show that in 1974 they were receiving 42.4 per cent. So the top 20 per cent received 42.4 per cent, while the lowest 20 per cent received only 4 per cent. When you take the lowest 40 per cent, you find that they received only 14.8 per cent, while the top 20 per cent received 42.4 per cent.

We can praise the system under which we live as much as we want, and we can say that we have made great efforts through transfer of payments in the so-called welfare state which this party helped to initiate in this country, both at the provincial level and in fighting for it in this House. But again we are left with this enormous problem in Canada, and although we in the House often seem to feel for people in the lower income brackets, we are so taken up with our own positions and our relative prosperity—because many people work for this government—that we forget that the statistics I have read are symbolic of the suffering of 20 per cent of Canadians who are only receiving 4 per cent of the income, while in 1965 they received at least 4.4 per cent.

Where is this progressive and just society that we talk about? Why is it that we, as representatives of the Canadian people in parliament, cannot find a way to alter our tax system and our fiscal policy so that the people at the low income level in the country cannot be helped more? Why is it that we cannot make certain types of sacrifices which we know are necessary in order for these people to improve their lot? This is something that I think concerns many individual members of parliament. But we are caught up in the system because we are all part of it, and we lie back and say that it has its faults but that by and large the system is working. But who is it working for? It is mainly working for the top 20 per cent in this country who are getting 42 per cent and 43 per cent of the total income. We do not seem to have the will—despite the fact that they call themselves Liberals over there—to change tax policy in this country so as to distribute income justly.

I mentioned in the House previously my views on the other place called the Senate which is set up under our constitution, even though many of us think it is nonsensical because it is composed of people who are not elected but are appointed by the government of the day. Senators have all kinds of directorships and are on boards of various

[Mr. Hogan.]

companies, so that by and large they make up part of the top 20 per cent and, together with a number of members of parliament, they do everything possible in order to maintain the status quo. Their humanitarian and Christian feelings, I am sure, tell them that there is something radically wrong in a country like ours where 20 per cent of the lower income group consistently get as little as 4 per cent of the income. Then we introduce a measure like this.

Somebody might say, "Look at what we did recently with the income restraint program." As a result of complaints, we increased the minimum of \$6,000 to \$7,280 and we have made it possible for people to receive \$3.50 an hour. However, these are all possibilities; there is nothing there. An interesting exchange took place in the House yesterday with the Minister of Labour (Mr. Munro). His comments give us an indication of his type of philosophy, when he spoke about lifting the minimum wage in the country which, as he mentioned, is largely under provincial jurisdiction. He said that roughly 10 per cent of Canadian workers come under federal jurisdiction. I remember when the Secretary of the State for External Affairs (Mr. MacEachen), at the time when I was teaching at university, introduced the Canada Labour Code at the federal level. He was then minister of labour. I was sorry for him recently because he was humiliated by France.

I remember reading one of his speeches in which he said it is not the fact that there are relatively few workers under federal jurisdiction that makes the federal minimum wage so important but, rather, the symbolic effect of giving an indication to the provinces that they have to do better. Yesterday the minister, instead of replying as he did, that the labour unions should organize the unorganized workers, as a member of the government should have given the lead in raising the federal minimum income as a further inducement and an example to the provinces. We cannot let this go on.

I should like to digress a little and return to the point I was making about the Senate and speak about Senator Croll who headed the study on poverty in 1971. Some of us obviously have friends there who are outstanding Canadians. Senator Croll is one of them, as anyone who has read that report would know. In spite of everything we have claimed, the fact is that the relative position of the lower 20 per cent group in Canadian society is worse now than it was ten years ago. That should make every parliamentarian thoroughly ashamed. It means that we have not really tackled the problem of income distribution. It means that we are not prepared, ourselves, to make sacrifices and to call upon others in our society to make the necessary sacrifices so as to enable a just distribution of income to be brought about, so that people in the lower income brackets can have the food, clothing and shelter that is necessary in the Canadian context instead of having to spend—as so many of them have to—40 per cent to 50 per cent of their income on housing and, in the case of some pensioners, as much as 60 per cent on food.

● (1650)

In 1973, the last figures I have show that more than half a million old age pensioners were living alone in Canada, and that 60 per cent had an annual income of below \$3,000. We suggest that we should be increasing pensions for these old people because they are a good part of the lower income