

Canadian Economy

If the government were to use for housing the \$4 million which certain wrongdoers obtained through graft, the minister responsible for housing could reduce interest payments for substantial numbers of families who have bought NHA homes. Or, we could build 1,000 homes costing \$40,000.

As everyone knows, the budget will bring few changes in this country, particularly to poor people. According to a recent Senate report, a great many Canadians live on or below the poverty line, the poverty line for a single person in Canada now being \$3,100. Old age pensioners in this country get a pension of \$2,450, which is considerably below the poverty line. Statistics Canada says a family is living on or below the poverty line when it must spend 70 per cent or more of its income on basic necessities like food, shelter and clothing. In 1974, according to Statistics Canada, the poverty line for a single person was at \$2,518, which is about \$100 more than we paid old age pensioners.

The publication entitled "Poor Kids", which is a report by the National Council of Welfare on children in poverty in Canada, says on page 36:

There can be no hiding behind myths that we can't afford to ensure income adequacy to all Canadians. The recent federal budget proved that. The Minister of Finance redistributed \$1.75 billion for the 1975-76 fiscal year through reductions in the personal income tax alone. He redistributed another \$885 million of the 1975-76 national income by changes in sales tax and tariff provisions, more than half of this—\$450 million—through reduction of the sales tax on building materials.

All of this \$2.6 billion that the government has chosen not to collect represents a redistribution in the national income. But in what direction? The personal income tax cuts range from \$200 for those in the lowest tax bracket to \$750 for those in the highest. In other words, if you were too poor to pay taxes you got nothing; if you were a low-income taxpayer you got \$200; but if you were already rich enough to be in the top tax bracket you got \$750. The rich got most, presumably because they needed it least. Are these our values?

The deduction of \$1,000 of interest and dividend income will, of course, be welcomed by all those with significant income from bank deposits and stock holdings. Self-evidently, these are not the poor.

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The Registered Home Ownership Savings Plan and cut in the sales tax for building materials are designed to benefit those in the home-buying market. Again, not the poor. Even the deduction of \$1,000 of pension income will benefit only the best-off of senior citizens.

Yet no one suggested we couldn't afford these tax cuts. Economists argued whether they were too much or too little economic medicine for a situation in which everything but the inflation rate was slowing down, but no one suggested we couldn't afford it.

A guaranteed adequate income that eliminates poverty in Canada will cost roughly the amount of these tax cuts—about two-and-a-half or three billion dollars. We can afford it exactly as easily as we afforded the tax cuts. The question is whether we choose to.

If a new budget were presented within two weeks it would face the problem of whether we wish to redistribute income in such a way that the poor or the rich would receive the benefit of it. Obviously the Simards, the McNamara's and others like them have done well by governments, and are doing well today. Whether or not we throw away \$4 million, we can have a scandal of that magnitude, and that is probably only the tip of the iceberg.

It is my guess that when the smoke clears we will find that not only in that field but in dozens of others where the government uses the tender system, we will have squandered millions and millions of dollars. There would have been enough money for the Minister of State for

[Mr. Peters.]

Urban Affairs (Mr. Danson) to lower the interest rate, which is the only way of enabling the average Canadian to buy a home.

Most people are not in the category where they can afford to buy food and the other necessities of life and still make payments of \$300 and \$400 a month to buy a house in one of our major cities. What does the Minister of National Health and Welfare (Mr. Lalonde) do when he is not in the House supporting the Minister of Finance (Mr. Turner)? He is making statements such as the following one:

—the question will not be whether politicians ought to believe in a more or less egalitarian society, but rather whether they are able to "read" the community's values correctly, and express them correctly in terms of basic income levels, and in terms of income distribution generally.

I again quote from the document:

What are Canadian community values? How much do we care whether for 14-year-old boy "it will always be this way"? Does it matter to us if poor kids are hungry or sick, if they are shamed out of schools and into dead-end jobs from which they are the first laid off when the economy slows down? Do the aged and disabled matter to us? Do we care as much about them as about the millionaire industrialist who benefited most from this year's income redistribution? . . .

The probabilities and likelihoods which we have described in this report will remain unchanged or be transformed to an extent that will be determined by our value choice. That choice, which we the Canadian community will make, will tell us a great deal about ourselves.

We will have to make that decision. It is fine for members of this House, who make a fairly good salary, to be given tax concessions with regard to dividends and interest rates. If we have never owned a house, it is fine for us to save \$1,000 a year for ten years tax free to be able to buy a very expensive house. However, would our values not be better if we put that money toward taking over one of the banking or financial institutions of this country and, instead of paying 6½ per cent on deposits, make that money available at 6½ per cent for the social good of this nation?

Are we always going to be satisfied with living off the misery of the poor of this nation? This affects all senior citizens in this country, as well as most of our low income people. It is true that in some families two or three people are physically able to work. In that event I am sure they will be able to come up to the standard. Those three people only have to earn \$6,145 to be at the poverty level. Is that our goal?

As long as there are poor in this country, if any member of parliament will say that we should not call for a new budget to end all poverty, as well as the sickness and disasters that go with being poor, he should re-examine his sense of values. Canada can only be rich when there are no poor or disadvantaged people.

I see no reason why we cannot have a budget to change our tax structure in such a way that the rich will begin to pay their share. There are four people in Canada earning \$200,000 who pay no income tax at all. There are few poor people who do not pay income tax. If we settle for anything less we will not be doing the best we can for the Canadian people and the future of this nation.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I wish to make a few comments on the NDP motion for a new budget, as well as on the mounting unemployment