

*Social Policy*

Anti-Inflation Board a few days ago which indicate that food prices alone in the past year in Canada have risen by 12 per cent and in the past month by 2.6 per cent. This means that a single person over the age of 65 who has an income of \$4,634—which is the norm for many people in that category—has to pay over 21 per cent of his or her total income for food. A married couple who enjoy the benefits of spouse's allowance or a pension income are a little better off, but even they must pay 17 per cent of their income for food. I bring this out to illustrate that we have not taken into account the impact of inflation, and especially of food inflation, on old age pensions in this country.

It is all very well to say that we have brought in indexing. When you consider that for the Canada Pension Plan the indexing was approximately 7 per cent for the year and that food prices increased by 12 per cent, it is obvious that the present method of indexing hardly addresses the problem. Indexing for the old age pension plan is equally unjust; it provides an increase of only 8.4 per cent.

On top of all that, Mr. Speaker, a few days ago, with one stroke of the pen, the government eliminated one of the few consumer subsidy programs on food that was still in effect. That is the powdered skim milk subsidy which amounted to \$13 million. That amount was too large for the Minister of Agriculture (Mr. Whelan) to justify in his budget and he indicated the money should come from elsewhere—for instance, from the budget of the Minister of National Health and Welfare or the budget of the Minister of Consumer and Corporate Affairs (Mr. Allmand).

The Minister of Agriculture can claim, on the basis of his surveys, that the subsidy on powdered skim milk was largely going to people in the upper and middle income brackets who did not need it. A closer examination of the facts, however, shows that a large proportion of that consumer subsidy of almost 40 cents per pound on skim milk was going to old age pensioners who prefer such milk, finding it more nutritious and easier to handle, to people with large families who require a great deal of milk in their diet, and to people in the north who cannot afford the price of liquid milk which in most cases has to be imported to the area.

What kind of government do we have, Mr. Speaker? They have lost touch with reality and live in a vacuum. I would say this government have been in power so long that they cannot see the forest for the trees. They cannot see what is happening in this country today. They try to gloss over a study issued by the prestigious C. D. Howe Institute entitled "In Search of Robin Hood", released a few days ago. This report examines the problem which is being exacerbated by this government every week it remains in office. In its opening statement the report has this to say:

The principal finding is that the federal government's budgetary policies have not, in fact, improved the economic position of the poor relative to the highest-income class in the 1970's.

We do not hear very much about regional disparities in this House any more, despite the fact that regional disparity is still a major factor contributing to the extraordinarily high rate of

unemployment in the Atlantic provinces. It is about time we started addressing ourselves to the very serious social disparities that exist in this country, disparities which the C. D. Howe Research Institute thought important enough to study.

This study was necessary because the government tend to ignore the facts, the facts being that in consequence of an inflationary situation which they have not been able to control—especially with regard to food which has been considerably exacerbated by the dollar problem—food inflation in Canada weighs most heavily on the poor. Amongst the poor, none are more pathetic than the senior citizens who constitute far too high a percentage of the poor in this country.

The minister spoke of the spouse's allowance being the first phase of a guaranteed annual income. She tried to blame the opposition for the fact that she has been unable to bring in a co-ordinated plan of guaranteed annual income. What a lot of hogwash! The minister herself was being intellectually dishonest when she said that. All she had to do was look to her colleague, the Minister of Public Works and Minister of State for Science and Technology (Mr. Buchanan), who spoke against this concept not too long ago, or to her other colleague, the President of the Treasury Board (Mr. Andras), who came out against the concept in a speech he made not too long ago.

• (1702)

If that is not enough to satisfy her, I would remind her that her colleague the Minister of Industry, Trade and Commerce (Mr. Horner) was the one who spearheaded the opposition to a guaranteed annual income program when it was first raised by this party a few years ago. This minister now boasts of the fact that as long as he is a member of the Government of Canada he will not permit a guaranteed annual income even to be discussed. So it is about time that the minister was honest.

I support the concept of a guaranteed annual income and for this reason. There is a need for some kind of a guaranteed annual income in this country in order to bring in a comprehensive program to cover the inequities that have crept into the ad hoc system of social welfare which has grown up in this country.

Equally important to me as a Conservative, and there is no contradiction here, a comprehensive guaranteed annual income in this country is needed to address two problems: firstly, the inequities in income distribution, which I have identified in one particular area; and secondly, the problem of incentives. Ad hoc programs have grown up in this country, a lot of them in and of themselves commendable; but without being co-ordinated, they are in fact disincentives in many cases. To work and earn more is a disincentive. People who are on the receiving end of many social welfare programs are not permitted to earn more, otherwise they would be disqualified from the benefits which allow them to eke out some kind of subsistence.

I say to the Minister of National Health and Welfare that on this question she should address herself not to members on this side of the House who, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, constitute a minority in this House, but to her colleagues on the government side