

Family Allowances

pensions and escalating them to the consumer price index. There are a great many forms of social assistance in addition to those. We look after the widows, the unemployed, the disabled and the injured. We have the Canada Pension Plan and the Canada Assistance Plan. We have an enlightened National Housing Act and projected changes in the structure and operation of Central Mortgage and Housing Corporation.

Finally we come to one of the most important aspects of social assistance, namely, this bill which attacks the problem of assistance to poorer families in which there are children. Most working people can afford one or two children; any more than that requires almost a middle-class income. It is estimated that in 1972 the cost of raising a child was \$700 or \$800 annually at least. There are many variations in income in Canada. The minimum wage varies from province to province; it can start at \$1.15 an hour and go up to \$2 an hour. In one year's time, this means over \$2,000 to somewhat less than \$5,000. This is a big swing, but even this amount can only be earned by a man who works the whole year, particularly if he is on the minimum wage. In spite of this, in certain areas of Canada there is a huge variation in the amount of work available. Some people who have an annual income are well below the national norm. For instance, British Columbia is probably the only province where the minimum wage is somewhere near the lowest level of the poverty line.

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As has a certain small minority in the House, I began to work many years ago during the depression in a farming community. People there could not afford new clothes, they could not afford new farm machinery, they could not pay doctors' bills and they could not give anything to the church; but they lived very well, at least so far as food on the table was concerned. So far as I was concerned, I could not afford to buy a practice in a bigger town, so I owed the bank for my car, for my house and for my practice. However, my kitchen and my cellar were full of meat and vegetables which I was glad to take in payment of my bills.

In 1933 when I moved into town, the effects of the depression were still very strong. Many fine young people were roaming from town to town, riding the rods. They could not get work in plants and had to live on a pitiful welfare allowance and depend on their neighbours' charity. I well remember a person in Port Colborne who tried to do his best to pay the town's welfare expenses. He had a heart like a washtub and always added a few dollars for large families. The situation at that time was deplorable and demoralizing.

Old age pensions were brought in many years ago. It was the first attempt at social security apart from the Workmen's Compensation Board. Most of our social services started to blossom after the Second World War. The family allowances program which was started in 1945 was adjusted in 1949 and again amended upward in 1957. To look after children aged 16 and 17, however, we had to add youth allowances. These were brought in in 1964, and of course families did not receive them unless the children attended school.

[Mr. Railton.]

A few years ago you will remember that the Senate Committee on Poverty brought home many new things to most of us. It seems almost unacceptable in this fair Canada of ours when we hear it said that one-quarter of our population lives in poverty. The old truism still exists, that the rich grow richer and the poor grow poorer. It is just as true in Canada as it is anywhere in the world. Alongside this poverty group there is a large, middle-income group of average working people and professionals whose wages and salaries range from \$6,000 up to \$50,000 or \$100,000 a year. Then there is a small group of very wealthy people. This group seems to be growing in number every day. It seems to be the thing to do in the modern world, to amass wealth. I suppose this is nothing new. The average workingman can afford many material goods. The list of expenses of the workingman include the house, the car, sometimes two to a family, coloured television, a snowmobile, a cottage, leisure activities, travel, pension at 60, and money in the bank.

I regret to say that many working people are not too sympathetic toward the unfortunate 25 per cent of the working poor and the group that is unable to work. However, in spite of all these things Canada's economy is buoyant. The gross national product has risen and so have wages. In spite of inflation, the high unemployment rate and increasing food prices, the middle-income group gets along moderately well. On the other hand, the poor find it increasingly difficult to raise their families with any semblance of decency and dignity.

There are other factors which must be acknowledged. Canada has a great many areas where regional disparities exist. These include the Maritimes, the north and the Prairies which lack industry and have seasonal work difficulties. Wealth has gravitated to Montreal, Toronto and the surrounding countryside. Industries are concentrated in Ontario and Quebec. Only recently have Alberta and British Columbia become wealthier provinces in company with the two I have mentioned. Sometimes unknown factors have caused all this. I believe it is a natural evolution. But, thank goodness, the picture is constantly changing. However, it is the duty of the federal government to work out schemes to try to equalize incomes and erase, so far as possible, economic inequalities.

There have been rumours of unemployment insurance abuses. However, these have been shown to be very small in number. Most people in the "have" bracket worry about increasing taxes. However, the government collects its revenue partly from personal income taxes. This makes up 40 per cent of the total revenue. The next largest source of revenue seems to come from corporate taxes. The remainder comes from sales, excise tax and Customs duties, and of course they bring in smaller amounts. In the working paper on social security, the minister promised a new approach which would take place over a period of time and would be within the existing levels of taxation.

The continued economic growth of Canada has greatly increased the revenue from personal income taxes, corporate and other taxes. The reduction of personal income tax would not do much to help the poverty group. It would put more money into the pockets of the wealthy. The poor pay practically no taxes. This is the big argument in favour of