

*Family Allowances*

truth about our economic system. The kind words that many members have spoken about the importance of doing good for those people who are less fortunate than ourselves should not blind us to the very harsh facts which lie behind an economic system that benefits systematically certain people, and does not benefit others.

There have been arguments I have heard, and I am sure many members have heard, as to whether poverty is declining or growing in Canada. The facts recited by my House leader yesterday, the hon. member for Winnipeg North Centre (Mr. Knowles), gave the clearest demonstration of the facts that we know, and that is that, relatively speaking, the share of the national economy going to those who need it has not changed significantly since 1951. The relative share has not changed significantly since 1951.

In her remarks yesterday the minister said that up until 1975 the number of people below the poverty line had gone down. Be that as it may, that ignores the fact that the economic measures which have been taken by this government that have created unemployment, that kept down wages as a result of the Anti-Inflation Board, and the freezing of wages that took place after 1975, all have resulted in an increase in the number of families who are below the poverty line of some 67,000 in 1977.

When we look at what it is—and perhaps it is appropriate that it was a minister of finance who introduced this bill—in our economic system which creates inequality, it is completely artificial for us to focus all our attention narrowly on certain very minor changes, important though they may be in their own way. It is artificial that we focus our attention very simply on the question of welfare and certain benefits going from one group to another.

I think it was the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Miss Nicholson), the hon. member for Trinity, who best described the completely limited vision and the totally restricted view which the government, and I can only say that I assume it is shared by members on the other side since they have said nothing to criticize it, has taken in the presentation of this bill. That myopic and limited view is that the government is concerned with how to re-order existing moneys. I wrote down what the minister said, and I think that is a pretty fair quotation. The government's problem, which it set itself, was how to re-order the moneys which currently are being spent on family allowances, and to distribute them in a better way.

Perhaps I could refer to the bill specifically and say, speaking for myself, my main reservation and concern about this bill are that what it does, quite simply is to take money away in terms of the reduction in family benefits—immediate benefits of \$6, and it will be \$8 in December—and attempt to redistribute that money.

We are not talking about the wealth of Canada. We are not talking about the bounteous wealth of Imperial Oil or the advantages that go to the corporate executives of this world. We are not talking about that wealth. That wealth has never been touched by the Liberal government, and it never will be.

[Mr. Rae.]

What we are talking about when we talk about distribution of wealth is a much narrower subject, and that is distributing the part of the family allowance that has been cut back to another group of people. Let us not have any fuss or bother from the Minister of Finance (Mr. Chrétien) or the Minister of National Health and Welfare (Miss Bégin), or any fine words about redistributing income in this country, because that is not what they intend to do. What they intend to do is redistribute family allowances. Let us be quite clear about that.

If they were serious about redistributing income, or if they were serious about inequities in the income tax system, they would have a massive job to do, and that is not a job they intend to do, and remember, they had the opportunity to do it after the Carter commission report. I think they then showed the muscle of which they are made by their decisions in respect of that report.

The number of loopholes that exist in the act, and indexation in the income tax system, give far greater benefit to those who are well off than those who are not. The whole system of deduction and exemptions rather than the principle of giving tax credits gives a tremendous advantage to those people with more money compared to those with none. There are the advantages that are given to those people who are allowed to incorporate themselves, the advantages given to those people who are allowed to be self-employed rather than wage earners. These are all examples, Mr. Speaker. Anybody who has been in the market place and knows what people who call themselves self-employed can do, know what a joke our tax system is if regarded as an equitable way of distributing wealth and opportunities.

● (1612)

Since 1968 the share of income tax revenues coming from corporations has dropped dramatically, and the share of income tax revenues paid by individuals has increased dramatically. We know that every time the corporations of this country come to the government with a problem, the government is ready to roll over like a spaniel. The list of depreciation allowances and benefits which have only created an atmosphere of mistrust and division within the country, give a tremendous advantage to those who have and do nothing for those who have not.

I know it is not fashionable on this side to be critical of the Minister of National Health and Welfare, but I could not help but be critical when I heard she was reported to have said a couple of months ago that she could not hear the voice of the poor. Then yesterday she said that the trouble with the poor is that they are disappearing and that it is not as fashionable as it used to be to speak up on behalf of the poor. All I can say is that the minister is in the wrong party. If she were in our party she would be well aware of the fact that the poor are speaking up all the time. She is welcome in my constituency on any Saturday morning to listen to the complaints, the worries, and concerns of people who cannot live a decent life on the benefits provided by the federal government and the provincial govern-