

Family Allowances

we have in the provinces and under the federal CAP program by which for every dollar earned the person on welfare loses a dollar of welfare. This is a problem I find particularly in urgent need of being tackled. I am very pleased to announce to the House that some of my provincial counterparts are ready now to put that on the agenda for discussion.

Miss MacDonald: I am glad to hear it.

Mr. Yewchuk: Mr. Chairman, as usual the minister spoke at length but did not at all address herself to the question which I put to her. She has just repeated things which I have heard her say before, and that is why I did not ask the question she answered.

My interest was to determine whether in fact this particular bill would in any way at all shift the income distribution for Canadians in any significant way from the way it is now in existence. She also seemed to misunderstand my comments about the ever widening gap in the income classification between those who are poor and those who are rich, and I will enlarge on that in a minute. But before doing that, I am rather curious as to why she insists on using Statistics Canada as a measurement for description of poverty. Perhaps it is just because their description happens to be the one which makes the government look best, instead of the description developed under the chairmanship of one of her colleagues in the Liberal party who headed up the Senate committee. If we look at his description of poverty line, it is quite clear that still more than 20 per cent of Canadians are below the poverty line. If we use Statistics Canada figures, it is something like 11.5 per cent.

It seems to me the minister is rather shamelessly trying to juggle figures to make a situation look a lot better than it really is. I am sure she should apologize to the House and to the poor people of Canada for that kind of shameless display of juggling statistics. In regard to the gap to which I referred, the same report, namely, the National Council on Welfare report, shows that in 1951 between the lowest 20 per cent income and the highest 20 per cent income, the gap in their income was \$3,060. In 1976, adjusting for inflation, the gap was increased to the \$18,000. In other words, it had multiplied several-fold.

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While the minister might claim that more welfare programs have been put in place, and the Prime Minister might claim that his redistribution of income policies have been effective, the fact is they have indeed been gross failures. The minister should admit that and dedicate herself to taking new steps which will come to grips with this problem in a meaningful way.

In addition to answering the first question about what the effect of this might be on income redistribution, I would ask her whether she knows what the effect of this bill will be on the gap in income between the lowest 20 per cent and highest 20 per cent in terms of real dollars.

[Miss Bégin.]

Miss Bégin: Mr. Chairman, I thought the hon. member was in the chamber when we went through second reading of this bill. Possibly I was misinformed. I then refer him to *Hansard* for October 31 where there are two graphs describing the income and natural distribution of child benefits. I said graphs, not statistical table. The hon. member will find them appended to *Hansard* for October 31. That shows the before and after situation of what the new child tax credit does to correct the tax system as far as child benefits distribution is concerned.

As to the last question on how this new program will affect the bottom 20 per cent of the Canadian population with regard to poverty, we do not have any figures for that.

Mr. Yewchuk: Mr. Chairman, the situation that exists today is that while the cost of welfare programs has escalated to a multibillion dollar security program, the gap between the rich and the poor has grown dramatically. Part of the reason, as I already stated, is that the programs have generally been universal. Some 80 per cent of all expenditures are on universal programs. The consequence of this universality has been a substantial dilution of the effectiveness of these programs. Therefore the target population, the poor, receive a substantially lower amount than if this program had been tailored in a specific manner.

To some extent this bill establishes a means test. Is this an indication that all current universal welfare programs will be changed in such a way that a means test will be applied and the target population, the poor, will be given substantially greater assistance in all ways and not just by way of handouts? We know that handouts do not solve anything. In fact people are often trapped in perpetuity by them. Does the minister plan to stick to the past Liberal policy of universality in all these programs, thereby diluting them and making them less useful, or does she feel that if these programs are specifically target-oriented they are perhaps more useful in terms of dealing with the poverty problem?

Miss Bégin: Mr. Chairman, there is something that surprises me very much. With regard to the hon. member's third question, I think I am justified in reminding him that approximately a year ago he gave me hell, to say the least, and issued a press release because he had interpreted some of my speeches as questioning the universality of social programs. I am not sure where the hon. member stands today. He seems to be no longer in favour of universality.

We said in the House last week that this program gives us what I portray to be the best of selectivity and universality. It is clear to those on this side of the House that the family allowance program, like the old age pension, should be of a universal nature for all Canadians. In one case, we have added the GIS. In the case of children, we are making a correction through the tax system in order to eliminate two tax privileges which do not benefit those it should benefit. We are introducing instead a new child tax credit on a selective basis.

We are not implying any means test. I do not know why the hon. member brought that in. This will be a declaration of