

*The Budget—Miss Bégin**[Translation]*

At this point, Mr. Speaker, I should like to remind my colleagues that a few years ago, none of us knew the word indexation. It was a technical word that was not part of the member's vocabulary, not to mention the public at large. Yet, only three, four or five years later at the most, everybody uses this word; everywhere, in the streets, between neighbours, in the daily newspapers, people discuss the concept of indexation which has been built into most of our social programs and must quite obviously be financed one way or another. I for one believe it is a progressive concept that should not be lost in times of economic uncertainty, when some people panic and question the universality of some of our programs or their indexation to the cost of living or to some other measure of monetary depreciation.

[English]

Furthermore, despite the stability of money income shares, the Prime Minister, when talking about the definition of poverty in Canada, pointed out that absolute poverty has decreased by about 50 per cent in the last ten years. There has been progress in closing the gap between rich and poor which can be identified. Income distribution statistics hide important changes in the distribution of non-money income and in the impact of taxes. Government actions in both these areas have tended to reduce the gap between rich and poor families.

Since World War II federal and provincial governments have co-operated to introduce improved programs. When I refer to federal and provincial governments, I mean the taxpayers of Canada. Programs which provide medical and hospital insurance, education, assisted housing, social services such as day care, counselling and rehabilitation—and I could give a long list—have been developed. Although some of them are universal, these programs have grown steadily in importance and provide benefits which are often directed specifically to low income families.

The benefits of these programs are not reflected in statistics regarding division of income. Similarly, our tax structure is based primarily upon income, and income taxes have become more progressive over the last decade. On this last point I underline the fact that there is still room for improvement. We could, for instance, discuss concepts such as the tax exemption concept, which tends to favour the higher income earners in Canada. By comparison, the refundable tax credit concept tends to favour those who are at the bottom of the income scale.

However, progress has been made, and I welcome the current budget because it ensures reductions in the relatively regressive sales tax. Sales taxes have an across-the-board effect, and because of that those who have little money are most adversely affected. As much as 75 per cent of the income of some people has to be used to purchase consumer goods. I am very pleased therefore, that this current budget acknowledges the regressive nature of sales taxes and that, together with the majority of provinces which have agreed to the pro-

gram, the federal government will have caused a relaxation of the hardships which are inherent in the sales tax concept.

All things considered, then, real incomes of the poor have risen relative to those of the rich. It can thus hardly be denied that one effect of our social policies over the last decade has been to improve the quality of life of the poorest Canadians.

We cannot yet claim to have done a fully adequate job on their behalf—a theme to which I want to return later—but it should be very clear that deep cuts in government spending, especially combined with the assignment of high priorities to other than the social policy sectors, will inevitably mean a diminution of the quality of the lives of those Canadians least able to defend themselves. Believe me, it will be no compensation to a poor child living in the slums of Montreal or Vancouver or in rural poverty to hear that even his meagre standard of living will be diminished in order to satisfy the misapprehensions of politicians that comfortable upper class Canadians want to cut social program expenditures. I believe that any party or any government which adopts that approach will lead itself to ruin, and worse, will destroy what little hope there is for those who need our help most.

[Translation]

Of course, numerous social programs which have been set up during the last decade or in the last fifteen years do not only benefit Canadians who are poor. Indeed, those social programs improve the quality of life of the vast majority of Canadians, which explains their being so popular. Millions of people in this country of all incomes benefit from the Canada Pension Plan or the Quebec Pension Plan, from family allowances, old age security pensions and the guaranteed income supplement. Needless to say that all those who have the misfortune of losing their jobs do not share the views of the members from the official opposition on our present unemployment insurance system which they constantly criticize for being so abusive. That is true for the programs that may exist under the transfer payments which we make to provinces and it is also true of programs which provide services instead of money.

[English]

We are all richer for the fact that our society is compassionate enough to care for those of our people who need services like day care, rehabilitation, counselling or nursing home care. Even more directly, we all benefit from universal access to complete medical care via programs instituted by federal governments over the last three decades.

Indeed, our universal medical insurance programs are rated by the Canadian public as the most popular and worthwhile of all public services. This is hardly surprising, for these programs have ensured that the availability of good health care is the right of all Canadians. In contrast to the situation in the United States, whose lower level of public spending is often cited so favourably by those who would cut into our social programs, no Canadians need lack medical care because they cannot afford it. No Canadian in the last decade has been