enacted and had its first full year of operation in 1946. At that time the gross national product in Canada was just over $12 billion. The amount paid out in family allowances was almost 2 per cent of the gross national product, or $245 million. Since 1946 the gross national product has increased from $12 billion to $26 billion. If the family allowances today were the same percentage of the gross national product as they were in 1946, we should be spending this year on family allowances the sum of $539 million. As a matter of fact in the coming fiscal year the estimate for family allowances is $399 million. Therefore, assuming that next year the gross national product does not increase—and we all know it should; it should go up about 5 per cent each and every year—the family allowances will be $140 million short of 2 per cent of the gross national product, that percentage of the gross national product which they constituted back in 1946.

I believe that 2 per cent is a very small part of the gross national product to have allocated for family allowances. I should like to see it even higher; but certainly I believe that the part of the gross national product used for family allowances in 1946 should be retained, and we should not be content to allow it to fall, as I have said, by $140 million.

The government brought in family allowances in 1944, and the legislation was passed. Family allowances became operative in 1945. The Liberal party, year after year, election after election, point out to the people of Canada the value of family allowances and take, if not 100 per cent of the credit, at least 99 per cent of the credit for having placed them on the statute books.

What has been happening since? The value of family allowances has deteriorated; the value of the old age pension has deteriorated. At this time, instead of restoring the purchasing power of the family allowance cheque, the government is talking of extending the field of social security legislation. I am all for the extension of social security legislation; I am in complete support of a program of health insurance, and better old age pensions. But unlike the Minister of National Health and Welfare (Mr. Martin), I do not believe that the amount of wealth represented by the deterioration in the value of family allowances should be used or an extension of social security measures in other fields.

I believe the family allowance legislation should be protected and any new legislation should be added to it. In speaking in the debate on February 23, a year ago, as recorded at page 1444 of *Hansard* the Minister of National Health and Welfare had this to say:

> If we had accepted my hon. friend's proposal a number of years ago does any hon. member think it would have been possible to have an old age security program that is costing Canada over $350 million a year? If we had accepted my hon. friend's proposal last year would we have been able to bring in the disability allowances program last year? If we had accepted my hon. friend's proposal would we have been able to bring in legislation to help the blind, or to bring in a national health program?

The most I have ever advocated in proposing an increase in family allowances was that the value of the family allowance cheque be restored; yet the Minister of National Health and Welfare says that had the value of the family allowance cheque been restored the government would not have been able to bring in the disability allowance, the blind pension or to provide $350 million for an old age security program. In other words the government is attacking its own legislation. It is taking a good part of the value of the family allowance legislation and, in the words of the Minister of National Health and Welfare, is using that sum of money to provide social security legislation in other ways.

Are the people of Canada really in need of family allowance legislation? Should there be an increase in family allowances? Is the average working person in need of an improvement in family allowance legislation? I hold in my hand some excerpts from taxation statistics, 1955, based on the 1953 taxation year. It shows that 39 per cent of income earners obtained less than $2,000 in 1953; that 51·4 per cent obtained less than $2,500; that 64·4 per cent, or almost two-thirds of the income earners in Canada, obtained less than $3,000; that 79·9 per cent obtained less than $3,500.

When you add to that table the statement that has often been made by the Minister of National Health and Welfare that 19 per cent of the working population of this country are responsible for the upbringing of 84 per cent of the children, you see that the average Canadian family obtains a very modest income, and must be able to balance the budget with the greatest difficulty. If almost half the working men obtained $200 a month, and if they obtained housing accommodation at a rental of $75, which would not be excessive, they would have $125 a month to buy food for the table, to buy clothing for the family, to provide for medical expenses, and all of the costs of raising a family, because the statistics of the Department of National Revenue point out that 51·4 per cent of income earners obtain less than $2,500 a year.