

## AFTER RECESS

The House resumed at 2 p.m.

**Mr. Dan Heap (Spadina):** Mr Speaker, I am very pleased to have a chance to speak in the debate on the Address in reply to the Speech from the Throne. I want to deal with a subject which was reflected in the Throne Speech, the subject of tax reform. Although the speech did not give any details, it spoke about improvement of the economy and the general health of the country. What it neglected to deal with directly, although it did so implicitly, was the growing gap between rich and poor, the growing gap between the rich and the majority. This concerns me as it concerns the majority of the residents of my riding. In that, of course, Spadina riding is not essentially different from other ridings.

In Spadina we have a great many old houses. Some are well-maintained by the hard work of those living in them, and some are falling down because they are owned by absentee landlords. In either case, the people in those houses usually have low incomes. There are some with little better incomes who live in very tiny apartments called bachelorettes. There are a few who live quite comfortably in quite pleasant houses. We also have a great many, several thousand in fact, small businesses, and some of them come and go. In other words, some of the bankruptcy statistics are real human events in the small business world in Spadina. Then we have some very rich and powerful corporations represented in their head offices in the business core of downtown Toronto. Therefore I regret that the Speech from the Throne, while it touched on many aspects of the economy, skipped over the growing gap between the few rich and the many who are not so rich, the many who constitute the majority, whether they be called middle income or poor.

This gap was not invented or created primarily by the present Government. It has been growing for several decades at least. However, this Government has done nothing to reduce the gap. It has even done some things to increase it. This is particularly so when it talks about tax reform, as the Throne Speech does, without giving any specifics. We do not know whether to expect taxation which will redistribute money from the poor to the rich, as is the current pattern, or a reversal to begin to redistribute some of that money from the rich to the poor.

The general result of this policy of redistributing money from the poor to the rich shows up in many ways in our country. For example, the general income level, measured in real dollars, has dropped 3 1/2 per cent in the last five years. This affects the overall figure, but it particularly affects families headed by women. In 1981, 12 per cent of all Canadian families were living in poverty. This increased to 14 1/2 per cent by 1984. Although it has dropped to 13.1 per cent in 1985, my guess is the figure for 1986 will be heading the wrong way again. Single parent female headed families had a poverty rate of 52.8 per cent in 1981, and it is now 60.2 per cent. It is worth noting that the number of children living in

*The Address—Mr. Heap*

poverty has jumped in four years from 16 per cent in 1981 to 20 per cent in 1985. This same pattern also affects young people. Some 42 per cent of young unattached individuals between 15 and 24 years of age were living in poverty conditions in 1980, and it is now almost 48 per cent. I could of course quote individual examples, as could anyone on the other side.

The Government advertised job opportunities for young people, but they have to be between 18 and 24 years of age and be able to put several thousand dollars into a project. In Toronto we know where to find 18-year olds who can ante up several thousand dollars. They are in Rosedale, not Spadina. They are in the north end of Rosedale, not in Cabbagetown or Regent Park. In other words, this is another form of subsidy for the rich or the children of the rich. It does not do very much for the great majority of young people in Spadina, or the rest of Canada.

One of the biggest expenses a person has is for housing. We used to have a standard measure of 25 per cent of income being spent for housing. That is much higher than people in many other countries expect to pay. However, it is now much lower than most people are forced to pay in Canada. It goes to 30 per cent or 35 per cent, often by government regulation through CMHC, and 40 per cent, 50 per cent or 60 per cent in fact in the private market.

In 1985 an average house in Toronto cost \$110,000 and average family income was \$41,500. With mortgage rates of 13 1/2 per cent, they would need \$10,000 a year more in order to buy a house. The fact is that incomes are going down in one way or another for a great many people. There has been a decline in real wages for about the last nine years. That is, the buying power of the weekly wage packet or the monthly salary has declined. There has been a decline in jobs in the better paid fields such as manufacturing and construction. They are often replaced by jobs with much lower wages in such fields as community services, business and personal services. There is a shortening of the hours of work, not usually by choice or with compensation. That is to say, in 1981 the average hours worked were 32 in services but dropped to 27.3 in 1986. If we use constant 1981 dollars, the buying power of the average hourly wage in the service industry has dropped from \$7.32 an hour in 1981 to \$6.78 an hour in 1986. In manufacturing, reckoning the same way, an hour's work that would have bought \$9.15 worth in 1981 will now buy only the equivalent of \$8.92. It is lower than it was five years ago.

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Wage rates generally are down, again if one reckons them against buying power. In 1981, the hourly wage rate was \$11.86 in the better paying jobs. Now it has dropped to \$8.92. That is on the wage side. That is what has happened to people who are primarily engaged in private employment. That is what happens to their earnings before taxes, but the Government, along with its predecessor, has also been shifting the tax burden away from those who have more money to purchase to