

*Family Allowances*

**Mr. Speaker:** Order, please. Is the hon. member rising on a point of order?

**Mr. Blais:** No, Mr. Speaker; I am seeking the hon. member's permission to ask him a question.

● (1540)

**Mr. Broadbent:** Mr. Speaker, I would be very pleased to deal with that as I do not intend to take all of the 40 minutes allotted to me. However, I would ask the hon. member to hold his question until the end of my remarks.

**Mr. Blais:** I simply want to ask it now because it deals specifically with the point that the hon. member has reached.

**Mr. Speaker:** Order, please. The hon. member who has the floor is the one who will decide whether he will allow a question. Do I understand that the hon. member for Oshawa-Whitby gives that permission?

**Mr. Broadbent:** Yes, Mr. Speaker.

**Mr. Blais:** I would like to ask the hon. member for Oshawa-Whitby whether the figures he is reciting now relate to pre-tax income or post-tax income, and whether he has comparative figures relating to income after taxation with respect to these various sectors in the income groups?

**Mr. Broadbent:** Mr. Speaker, the question is perfectly timed. The figures I gave were pre-tax income. The point I was coming to is that a number of people, particularly in the Liberal party and Conservative party, have said, "All right; you can rectify that situation by 'our' progressive tax policies." Now, I want to provide the hon. member and others with statistics that deal with distribution of income after taxation. I will now deal with the post-tax situation. I will deal with the question of who pays proportionately most taxes in Canada and who benefits proportionately most from government services and programs.

According to a study done earlier this year for the Economic Council of Canada by Mr. Allan Maslove, entitled "The Pattern of Taxation in Canada" we find, after considering the net effect of municipal, provincial and federal taxes, that the tax structure in general is extremely regressive, with the upper income groups paying proportionately less than their share, and the lower income groups paying proportionately more than their share. Who bears the least load of the tax burden? That question is posed and answered in the study to which I have referred. The answer is that those whose incomes are \$12,000 and more per year bear the least load of taxes in this country, which is the direct opposite of the effect a progressive tax system should be achieving.

If the rich bear the least load of taxes the question must be asked: who benefits proportionately more from the programs and services of governments? The study reaches the conclusion that the upper income groups benefit proportionately more than the average and lower income groups. It seems to me that in a period of five minutes it would be very difficult to reveal a set of statistics to this House that are more damning of the workings of parlia-

[Mr. Broadbent.]

mentary democracy in this country during the past 20 years.

What I have tried to show with respect to pre-tax income is that over the past 20 years there has been little change. The rich are still getting much more than their share of income, and the poor are receiving fantastically less than their share. Spokesmen for the Liberal party and the Conservative party for years have said that they would rectify the situation, but there has been no improvement in the situation with respect to the distribution of income after taxes. Instead, we have a worsening of the situation. That is a shocking condemnation of taxation policies enforced at municipal, provincial and federal levels. It seems to me that the bill before us has to be seen in that context.

When Prime Minister Mackenzie King introduced the original Family Allowances Act in 1944 he said the intention of the measure was to provide real equality of opportunity for young people. It seems to me that when we talk about family allowances we must talk about distribution of income and how family allowances can redress inequalities in it. I and my party strongly support a universal system of family allowances precisely because here we can tax all those who can afford to be taxed, particularly upper income Canadians and corporations, and redistribute money to those who are in need.

I cannot forgo the opportunity to comment on the actions of this parliament last spring when it voted \$500 million in concessions to Canadian corporations, concessions that, according to all serious economic analyses made by authorities outside the political parties and the government structure, were entirely unwarranted. Here I am talking about responsible economists. Not one argued that tax concessions totalling \$500 million were necessary for the Canadian economy.

I do not at all question the personal integrity of the man who preceded me in this debate, but I do point out the contradictory actions of his political party, which last spring voted in favour of \$500 million in tax concessions to corporations which had been making the largest profits in Canadian history. Now, he comes along and tries to act as the spokesman for the average and poor citizen. It seems to me there is a basic contradiction in that kind of action, a contradiction that cannot be tolerated by my party.

If we had divided the \$500 million in concessions to corporations among the 3½ million families that have children, we could have given each family about \$140, which really would have done something to redistribute income in Canada. It might even have reversed the statistical pattern with respect to the distribution of income over the past 20 years. But the Liberal and Conservative parties decided the corporations needed the \$500 million more than the average income people and the poor citizens of Canada.

In conclusion, Mr. Speaker, I wish to say that we in this party certainly support the \$12 minimum family allowance payment. In view of the current fantastic surplus position achieved by the Minister of Finance (Mr. Turner) we believe it could be increased to \$20 now, instead of next January. But we support the measure because it is a universal scheme. Again I remind hon. members that even if the family allowance goes up to \$20 per child, and even