

one total unit and we have to look at all of these things together. I again commend the minister, as a member of a minority government, in being in a position to bring in legislation which at least moves in the direction of redistributing income. As he knows, we shall warmly and strongly support this bill.

[Translation]

Mr. Henry Latulippe (Compton): Mr. Speaker, we are truly happy to be able to speak tonight about family allowances and particularly about the distribution of our wealth. As the hon. member for Winnipeg North Centre (Mr. Knowles) said a while ago, it is very important that the wealth of Canadians be distributed logically and justly. At the present time, Mr. Speaker, there are many flaws in the distribution of our resources.

We were very pleased with the speech made this afternoon by the Minister of National Health and Welfare (Mr. Lalonde), who has made some important concessions. We admire this, but I wish to say immediately that these concessions do not go far enough because the cost of living has increased in a much greater proportion than the family allowances.

● (2110)

With this approach the excess wealth of Canadians will still not be distributed more evenly. The hon. minister's offer is better than nothing. We will support this bill but we want more because Canadians are producing more and more and can give more and more.

One of the reasons why I suggest that family allowances are not logically adjusted to the cost of living is that they have been hardly increased since their establishment in 1944-1945. And yet, in the other areas of the economy everything has multiplied by five, six or ten. It is in the name of simple justice and of the most elementary economic balance that we want family allowances to be increased.

To adjust them to the correct economic reality, family allowances should at least amount to \$1 a day per child. Since there are about eight million children under 18 in Canada, monthly family allowances amounting to \$30 would cost only about \$300 million a month or nearly \$30 billion a year. However, \$210 million as compared with \$30 billion are not more than a drop of water in the ocean. When we produce yearly \$114 billion but consume only \$60 billion we can say that the balance is \$54 billion which certainly could be used to guarantee a logical revenue corresponding to the cost of living and the facts of life and give Canadian citizens the right to live.

This is what we are asking on behalf of all Canadian citizens and on behalf of all the 264 members of Parliament who have undertaken to administer the country in the best interest of all citizens.

In every family, we know it by experience, the youngest children always get the most attention. Everyone does his share. We must do likewise in Parliament: We must begin by taking care of the youngest Canadian citizens and guarantee them at least their individual vital right, knowing that if the young have everything they need, the adults will get by more easily in our society, a just society in a Canada united, as the Prime Minister (Mr. Trudeau)

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says, by the right to live. All citizens will be more strongly united at every other level of the community.

Let us establish once for all a basic standard of living for each Canadian citizen, for every child of 18, regardless of the salary or income of his father or mother, because it is his personal vital right. The child is entitled to it even before he is entitled to employment, capital or even education. The right to live is the first and the most sacred of all rights.

Let us assume now, Mr. Speaker, that we admit that we must increase family allowances, this must be done without any increase in taxes or in the cost of living. This must be done without lowering the purchasing power of other Canadians. This is the most important thing, Mr. Speaker. And we will introduce motions designed to make such a claim in the future. Moreover, Mr. Speaker, in order to increase the purchasing power of one segment of the population, we must decrease the purchasing power of the other. We must not take some income from a few citizens to transfer it onto other ones.

We know that in 1972, as I said earlier, national production amounted to \$114 billion and that capitalization was \$48 billion; we must determine whether we do not capitalize too much. I am sure that we capitalize too much and that we could use part of this capital to pay a guaranteed income to Canadian citizens because they need it, and this, Mr. Speaker, would be done without increasing taxes or the cost of living.

It is therefore possible to increase the purchasing power of children, without decreasing or reducing the purchasing power of other Canadians. Under this formula, Mr. Speaker, allowances will be increased, but they will be taxable. He who will be unhappy enough to earn between \$6,000 and \$10,000 a year will not get any family allowances; he will give more than he gets because his earnings will be a little higher than others. In our economic world where salaries vary between \$7,000 and \$25,000, everybody needs money and adjusts the expenditures of his family to his income. Therefore, if someone earns \$25,000, he spends almost \$25,000. Some people do save money but not many, Mr. Speaker, and they do not save that much. They must earn still more than that to be able to save. So, Mr. Speaker, this bill ought to provide also that tax exemptions be at least \$5,000 for couples and \$3,000 for single persons. If we give allowances such as the minister is proposing now and if we leave incomes subject to taxation as they are now, many citizens will not benefit much from family allowances. They will have to incur payments and that will not put the required purchasing power in the hands of taxpayers.

Purchasing power is best placed economically in the hands of the families, those who consume. Aged people are small consumers, but it is the families that consume most. They require reasonable tax exemptions in a system where the cost of living keeps increasing, where it is so high that tax exemptions are illogical. If we do not set tax exemptions at reasonable rates, family allowances that are being proposed will not bear fruit.

Mr. Speaker, what must be explained in a more detailed way is the way of governing and above all of taxing used by our governments, especially since the end of World War II.