

The Budget—Mr. Gauthier

increase in interest rates has favoured the big fellow to the detriment of the little one.

Today measures are proposed to reduce unemployment when for two years there was harping on inflation. Inflation has never existed at the level of the worker, of the small wage earner, but rather at the level of big finance. The government is still promoting the latter to create inflation.

The government is presenting both ineffectual and temporary measures to give assistance to the low-wage earner and the unemployed. Such measures will have no immediate effect in my area.

As for the \$40 million for the Central Mortgage and Housing Corporation, once again is a measure which, because of the high rate of interest and the very strict terms imposed by that agency, will have no effect. No family man with an average income can build a home in my district. That is the situation for all those who wish to build a low-cost home. I know that the loans are far the big contractors and not for the average citizen.

In my region there is a housing shortage. The \$40 million will be used for building about 4,000 homes. In my opinion, this is not a solution for the family man who needs a dwelling and must pay a very high rent because he has many children. In cities nowadays landlords refuse to rent to a family with five children.

The government will have to find a better formula. If it does not want to lower interest rates for fear of antagonizing financiers, let it give at least rebate to average wage earners so that they may build a house.

In this budget speech, the minister also said that:

The proposals set out in the White Paper on Income Security will have important fiscal and economic implications which will mean additional payments of \$200 million and a new redistribution of income for those in the lower income group and the less favoured areas.

We agree with the principle of old age pensions, but not to give the older people a guaranteed income, as is proposed; this is only a pretext to appoint hundreds of inspectors merely to go and search senior citizens' homes to see if they have hidden \$50 or \$100.

● (5:10 p.m.)

That is why we are calling for across-the-board allowances and pensions, to avoid the expense of 3,000 inspectors snooping in homes to check on whether a certain senior citizen is not getting \$5 or \$10 more than he should. In fact, I believe the guaranteed income costs as much in inspections and salaries as the senior citizen is getting.

If we give old people a flat-rate pension, those who do not need it should reimburse it when making out their income tax returns. The Taxation Division is well enough organized to make the relevant inquiries, which would do away with the two inspection systems we now have.

[Mr. Gauthier.]

Every week-end, we are faced with 30 or 40 cases of old people being dealt with unfairly. The inquiry was not carried out properly and we have to go back and find the error. We manage to do it but at the cost of God knows how many headaches. The government should pay out pensions whenever practicable and put an end to its policy of distributing grants only to create employment.

Let us do away with administrative costs and inspectors' salaries, and then we will be in a position to hand out to our older citizens increased pensions without increased taxation.

The same is liable to happen with respect to family allowances. A system set up to investigate to the last cent expended is also recommended in this instance. There is going to be a reduction in the amount of family allowances paid to the wife of a man earning \$4,500 or more.

Never will \$16 be granted for each child, except to a few families but the rest will need it too. In fact, the head of a family who earns \$6,000 or \$7,000 a year but who has 7, 8 or 9 children will not be so much better off. I have here an article published in today's newspaper and signed by Mr. Paul Sauriol, about family allowances. He is presently in favour of this measure, of course, because all the press as well as Information Canada, which is financed by the government and speaks up for its policies, would be hard put to it to give an unbiased opinion. However, this is what Paul Sauriol writes:

The proposed change in family allowances is the only one of the three where the government really advocates dropping universal benefits in favour of selective allowances.

The monthly allowances would be increased to \$16 per child for families with an income of \$4,500 or less, and the allowances would be gradually reduced as the family income increases and they would cease completely for families with an income in excess of \$10,000 a year.

When the head of a family earns \$10,000 a year but has 11 children he cannot be said to be rich. And in relation to that I quote further:

One thing must be said, first of all: the real value of family allowances, their purchasing power, has greatly diminished these last few years as a result of price increases, so that the \$16 per child given to underprivileged families would merely re-establish the former purchasing power of present allowances.

The principle of selective assistance to most disadvantaged families is excellent, but the decreasing rate suggested in the white paper has one serious defect, because it does not take into consideration the number of children in a family, nor their age. Wednesday's papers mentioned the case of one family where the father earns a little more than \$10,000 and where the twelve children are eligible for allowances. Under the proposed reform, that family would not be entitled to any allowance while another one with three children and having an income of \$7,000 would get \$33 per month. The family—

[English]

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I really had hoped to deal at some length with the intelligent contributions made to