

sales in Montreal, Vancouver, Halifax, Winnipeg, and Edmonton. The people in Canada must mortgage their salaries for three to five years with finance companies to buy this year's or last year's production and yet, if the purchasing power was adjusted on the basis of current production, we would have prosperity in Canada. We would not be afraid of René Lévesque, the Chilean regime or the Communist regime; we could maintain at home a regime of free enterprise where personal initiative would be respected and promoted, where Canada would belong to Canadians and where Canadians would have security with personal freedom.

Mr. Jean-Robert Gauthier (Ottawa East): Mr. Speaker, this bill providing for higher family allowance as of next October is part of the concrete measure program presented by the federal Liberal government.

Under this bill, a monthly allowance of \$12 would be paid as of October 1, 1973. The 3.5 million families now receiving the family and youth allowances, that is to say all families with dependent children of 18 or less, will be granted this new increase. In Canada, the number of children in this category is set at 7.5 million.

Mr. Speaker, I greet this government measure with great pleasure because it will allow Canadians and especially my constituents to really increase their purchasing power. This bill is good because its basic purpose is to add a supplement to the family income and that will be greatly appreciated in my riding as a concrete and positive measure introduced by a responsible and efficient government at grips with the soaring cost of living in Canada.

An hon. Member: What a supporter!

Mr. Gauthier (Ottawa East): The great problem of inflation has caused many to worry about this world plague.

An hon. Member: It is true.

Mr. Gauthier (Ottawa East): We hear and read every day pessimistic announcements by many improvised experts. They often fail to define their miraculous measures based on a so-called economic empiricism which would make us believe in simple solutions to the great world problem which is inflation.

An hon. Member: It is true.

Mr. Gauthier (Ottawa East): Wage and price controls are inevitable according to some and perilous according to others. It remains however impossible to find one instance where those control measures were effective in any industrial country during the past 25 years.

In addition, this is a world-wide problem and under the circumstances, it seems to me that the economic facts are altered through so-called political objectives when it is suggested that the time has come for price and wage controls.

The Liberal government has selected to campaign for programs aimed at increasing the purchasing power of Canadians and checking price increases of some basic products for the Canadian family.

Family Allowances

I know, Mr. Speaker, that it is much more difficult to take such a position, because it requires from each of us a special effort to explain the problem to our constituents and to request their co-operation in the fight taking place to assure the stability of our economy.

I accept the challenge and I will try to the best of my knowledge to explain rather than frighten, to act rather than freeze, because in short, Mr. Speaker, it is our duty, as members of Parliament, to inform, to give leadership, to take proper measures, in order to govern responsibly and efficiently.

It has been rightly pointed out for some time, that any inflation more especially affects the citizens in the low or middle income groups or those with a fixed income. Most of them are unable to increase their income at the same rate as the prices they must pay to obtain some goods and other necessities of life. Each new price increase reduces accordingly their real purchasing power and their standard of living.

This is why all the measures announced up to now by the Liberal government are grappling with the problem. They are especially meant for the citizens who generally need more assistance in such difficult times. Furthermore this was pointed out by the Minister of National Health and Welfare (Mr. Lalonde) in his comments on Bill C-223, at page 6351, and I quote:

● (2050)

When one considers that a family of four with an income of above \$10,000 spends approximately 16 per cent of its budget on food—

An hon. Member: It is too much!

Mr. Gauthier (Ottawa East):

—while the same sized family with an income of less than \$4,000 spends closer to 28 per cent of its budget on food, it is obvious that the increase of 20 per cent in the price of food over the past 18 months will have a much greater impact on the low-income family as compared with the higher income family.

An hon. Member: This is true.

Mr. Gauthier (Ottawa East): Mr. Speaker, in a workers' constituency like mine, where the size of families is larger than the national average, it is obvious that government legislation providing for a \$12.00 increase of family allowances will be much appreciated.

Combined with the recent measures taken by the government, this legislation will give our people more purchasing power and, consequently, improve their standard of living.

In closing these short remarks, Mr. Speaker, I note that Bill C-223 fits remarkably well into the already announced government policies—

An hon. Member: That is true.

Mr. Gauthier (Ottawa East):—aimed at upgrading the social security system.

An hon. Member: That is true.

Mr. Gauthier (Ottawa East): Mr. Speaker, Bill C-223 follows up the measures already announced related to the