

The Budget—Mr. Grégoire

United States, Great Britain, Europe or elsewhere. And the cost of refinancing comes high. Interest rates are going up all the time.

If, this year, the Minister of Finance obtains \$1,248 million to refinance the national debt of Canada, which will not help the country in any way, that will mean \$1,248 million less in savings to invest in the development of our natural resources and of our industries, in short, the development of Canada.

The Minister of Finance seems to take that stoically. It is quite simple, we borrow to pay what we owe and we have been doing that for a hundred years.

I cannot understand why not a single minister of finance has had enough imagination in his noggin—

An hon. Member: His what?

Mr. Grégoire:—to find the way of making this country run with debt-free money. I wonder if the minister was here when his colleagues voted for that.

Mr. Béchard: That was not what we voted for.

Mr. Grégoire: I think he was about to rise and say he was not here, thereby blaming his old colleagues for having voted in favour of that.

But, Mr. Speaker, when a country is sovereign and autonomous, when it is really the master of its own destiny, it should not be compelled to do business with private financial institutions. It ought to set up, as a non-profit government body, a public development bank that would finance without interest public expenditures and public development.

This, Mr. Speaker, should be the goal of any sovereign and independent country. But Canada is still controlled by financial interests.

Mr. Speaker, there are in fact two problems facing the country today, or so it seems according to the speech made by the minister.

First, there is the increase in the cost of living. Second, our balance of payments shows a deficit.

The increase in the cost of living, where does it come from and for what reason? Almost everyone tries to hide it from himself and the hon. Minister of Finance especially refuses to see it. But the reason for the increased cost of living during the last year or two is mostly the increase in taxes.

[Mr. Grégoire.]

When a province increases taxes by 2 per cent, prices go up 2 per cent. When there is a 1.8 per cent or 1.9 per cent tax increase, as there was last year, prices go up. When the employer is also forced to pay 1.8 or 1.9 per cent more, prices rise. When an 11 per cent tax is charged on building materials, prices inevitably go up.

Through the creation of all sorts of new taxes, we have come to the point where the businessman, simply to make his reports to the government on pensions, health unemployment insurance, income tax for his employees, deductions at the source, taxes on profits, personal income tax, etc., has to hire a whole staff of accountants, secretaries and assistants to figure out all those things and divide everything according to each department. You can imagine that this increases production costs for industrialists and manufacturers contributes to increase prices.

Taxes are the main factor of the rise in the cost of living at this time. The minister complains that the cost of living is on the rise. But he is the first one responsible, for it is not the opposition which raises taxes, but rather the Minister of Finance who decides such things. And as this is the primary cause of inflation, the man responsible for inflation in Canada is the Minister of Finance every time he makes a decision to increase taxes.

Today whether you want it or not, there is 47 cents worth of tax in everything you buy. Every dollar's worth of products includes 47 cents in various taxes, either income, municipal, provincial, school or other tax. In every dollar's worth of production, there are 47 cents in taxes.

The minister wonders what inflation stems from. It stems from taxes or levies, which are higher here in Canada than anywhere else.

The second problem the country has to face is that of the balance of payments. Let us note this however: if we have a deficit, it is not that our exports are inferior to our imports. On the contrary, they are greater than our imports, but over and above that, huge amounts of money go out of the country in dividends, profits and interests paid to foreign companies. That is what causes the deficit in our balance of payments because, as a matter of fact, if we consider only the value of products we ship outside this country and those we bring in, our exports exceed our imports, but we have to pay the tax on money sent to foreign investors who develop our natural resources because we never had a government that could do it.