

in the by-election—I would not call him a Communist but he was quite close to the Communists—did not poll many votes. In the by-election the positions of the two main candidates were the reverse of what they had been in the general election: the Progressive Conservative candidate was a local man and the Liberal candidate was an outsider. Let us compare the results of the two elections. In the general election the Liberal candidate had a majority of 4,113, and in the by-election the Conservative candidate had a majority of 2,753. It should be noted that Brandon is about half rural and half urban, and that in the rural area the problem of the cost of living was not as vital as in the urban part of the riding. I am familiar with this area, having been brought up on a farm near there, and know what the real issue was.

I strongly believe, honourable senators, that the widespread problem of the high cost of living was brought into sharp focus by those four by-elections. While some may argue that there was a local issue in each of these constituencies which may have influenced the voting, the cost of living was the fundamental issue which the people faced, and that is the issue which now demands the attention of the Parliament of Canada.

Hon. Mr. Euler: What is the remedy?

Hon. Mr. Howard: That is the question.

Hon. Mr. Haig: I expected my friend to ask me that question, and I will give him my answer. The remedy is for the government of this country to boldly say that they will cut their ordinary expenditures by 50 per cent. Of course such a decision might be bad business for the government, should they face further by-elections. The people do not like to have certain services cut off.

Hon. Mr. Euler: Apparently it is bad now.

Hon. Mr. Haig: Yes; it is bad, but if the government hold a general election next June, as is now suggested, they will wonder what kind of cyclone hit them. I can tell them that it will be a cost-of-living cyclone.

Hon. Mr. Euler: Well, maybe you are right.

Hon. Mr. Haig: This is one problem as to which we as Senators should warn the people of Canada that their government cannot continue pyramiding services without increasing living costs. For instance, an increase of from eight to ten per cent in sales tax is bound to raise prices. My friend from Toronto (Hon. Mr. Hayden) argued that the tax did not apply to food. Well, there are lots of other things which enter into the problem of the cost of living. Take shoes, for instance. The other day I paid \$15.00 for a pair of shoes

which a few years ago cost only \$7.50. The other day a smart young minister in my home city, whom I am quite sure is a dyed-in-the-wool Liberal, and never voted for me, asked me when I was going to Ottawa. When I replied that I was going the next day, he said: "Jack, do one thing—bring down the cost of living". He pointed out that he had a family of four children and bought a lot of milk. Then I asked him what about the meat problem, and he said: "What is meat? My children see it only in the butcher's window". As a further illustration of high prices, I might mention a lady who recently remarked to her husband: "Our grandchild is old enough to have a bed of his own. Let us buy him one for his next birthday." They agreed to do this, and when the husband asked, "What will it cost, about \$15.00?" She said, "Oh no, it will be about \$45.00." Teachers, clerks, pensioners, the people who neither belong to unions nor own businesses—all the little people—are powerless in the face of these conditions.

While I admit that the problem is a difficult one, and that other countries are afflicted by it to a greater or lesser extent, I never thought that in my lifetime the cost of living in Canada would exceed that in the United States. I recall that two years ago, when the cost-of-living index stood at 146 or 147, the Minister of Finance conceded that it might go up a little more, say two or three points. It now stands at around 189. Part of this increase is blamed upon the primary producers; but only about 25 per cent of it can be laid to them. The major advances have been in practically every category excepting rent. In the case of houses subject to controls the rental increases have not been outstanding but it must be remembered that houses built since 1947 are rented on the basis of their total cost; and the sort of house which costs \$10,000 today, cost only \$6,000 twelve years ago.

Hon. Mr. Wood: Four thousand.

Hon. Mr. Haig: Well, I wanted to be moderate. Obviously, therefore, the rental value of housing has doubled. Added to this is the fact that our municipal taxation has risen considerably. Yet only 39 per cent of the total increase in living costs is attributable to rent.

I hope that what I have said will induce other honourable senators to join the campaign to reduce the cost of living. Ours is a great country. We are engaged in a terrific struggle to preserve freedoms which we love as intensely as we love our native land. It can be said without immodesty that members of the Senate occupy a very high position in the public life of Canada, and that while we are subject now and again to a