

*Distribution of Goods and Services*

there remains in the pockets of our taxpayers money with which to pay additional taxes. The theory is that Canadian taxpayers can dig a little deeper into their pockets and find a little more money with which to pay increased taxes.

However, the government will find that there has been a tremendous drain upon the resources of Canadian taxpayers. Those resources will ultimately be strained to the limit and our taxpayers will not have the money to meet additional taxation. This is the position in which Canada finds itself.

The hon. member for Bruce (Mr. Whicher) spoke about the money supply in this country. I believe he spoke fairly accurately about the economic facts involved in the government increasing our money supply. The hon. member said that we run into the terrible danger inherent in the old Social Credit theory of Mr. Aberhart in respect of increasing the money supply. He said that putting this theory into practice would increase inflation tremendously. What is the situation today? We have inflation. This government has already tripled the money supply. As evidence of this one has only to study the figures relating to the years 1964 to 1969. The money supply in Canada has tripled, as have interest rates.

What good has the policy of the government achieved in this respect? Old age pensioners in this country pay income tax to the government. This is a shameful thing. Primary producers have to sell their products in the world markets at a desperately low price because of the inflation in this country. Inflation has not helped these people. In addition, as the hon. member for Bruce so aptly pointed out, this government has reduced subsidies paid to our primary producers in the field of agriculture. I emphasize that the government has reduced the support provided to these primary producers. This is a shameful act on the part of the government.

● (8:10 p.m.)

The government has now reduced its assistance to those very producers, another shameful act. Mention was made by a member of the New Democratic Party of that party's dreams and ideas concerning the way in which Canada should develop. The hon. member for Winnipeg North Centre (Mr. Knowles) said that in his belief at no time in Canada's history should the richest man ever receive more than five times what the poorest man is receiving. This is an interesting solution to the problem of poverty. If the poorest

[Mr. Horner.]

man receives a lot of money, I suppose the richest man might well receive a great deal also. However, we must remember—and note of this should be taken especially by those who project the social credit philosophy—that trade barriers throughout the world are continuing to break down and that the economy of Canada must always bear a close relationship to the economy of the world. Whether or not the ideas of the hon. member for Winnipeg North Centre will ever come true, I am not prepared to say at this time.

I can well remember the idea put forward by Khrushchev that some day and some place capitalism would fail and socialism would take over. Perhaps the hon. member for Winnipeg North Centre would agree with this. However, I do not. I think we have reached a period in Canadian history in which the taxpayers of our country are saying that the tax load is too heavy and we must take some steps to reduce it. We have just seen Air Canada go through a severe strike which, to some extent at least, tied up the economy of the country. A settlement was reached according to which wage earners were granted an increase of around 16 per cent over two years in the actual cash received. However, if we take into account all the other advantages thrown in, the increase is nearer 22 per cent over two years, which is very substantial. The hon. member for Bruce (Mr. Whicher) spoke about it.

Let us go back to the time some years ago when the government gave the St. Lawrence Seaway workers an increase which amounted to 32 or 33 per cent. This increase started an inflationary cycle which has not stopped yet. Inflation is the result of such increases being given to wage earners. Wage earners cannot be blamed for demanding high wages. They, too, are caught in an inflationary cycle. What is the real problem? The real problem is the take home pay received by the wage earner, the farmer and the person who is trying to purchase a house, a car and all the things we consider to be necessities in our society today.

Before the supper break I voiced my disappointment at the fact that the Minister of Consumer and Corporate Affairs (Mr. Basford) did not oblige the house by being present during this debate which deals with the distribution of goods and services. It is, after all, the consumers who will gain from any reduction in the cost of goods and services. I would have liked to hear the minister's comments on this.