

The Budget—Mr. Monteith

Mr. Monteith: Certainly it is. He does not say why he stops this surcharge at the \$50,000 income mark, but it is obvious that he intends to take his required money from the average taxpayer.

Mr. Sharp: Mr. Speaker, could I ask a question of the hon. gentleman? It is just for correction, because I do not think he meant to say what he said.

Some hon. Members: Oh, oh.

Mr. Monteith: If the minister has a question of privilege, then let him rise and put it, rather than put it in the form of a question. I did not interrupt him the other night when he was speaking.

I have mentioned that this government has simply taxed in order to pay for what it believes the people of Canada should have, and not what the people of Canada want. We have the minister saying that an ounce of prevention is worth a pound of cure. Why did he not think of this when he first became minister, or show a semblance of responsibility at the time he was minister of trade and commerce by objecting then to the steps which were being proposed by his colleagues.

He is now lecturing the people of Canada on how they should behave in the circumstances in which we find our economy. The people of Canada must skimp and save. In fact, the minister has been lecturing us ever since he took office. What of the people who, on the assertions of the minister over the past two years, have taken him at his word and have been led to believe they never had it so good? What of those who have on his assurances decided they could afford to buy a house, a car or some other necessities, and now find they are obligated for debts in this respect, with ever and ever increasing interest rates? The minister has not considered these people when he has been continuously increasing taxes. They must meet their obligations with less and less money, because of this government's incessant desire to take away their tax dollars.

• (3:30 p.m.)

Let us look at the plight of a typical Canadian family. Inflation has cost the average Canadian family hundreds of dollars since 1965. The consumer price index stood at 150.5 in October of 1967, based on the 1949 figure of 100. It hovered just over 150 for four months. In December of 1965 the index was 140.8. This indicates the fabulous jump of 10 points in less than two years. This

[Mr. Sharp.]

means that every wage earner has lost plenty because of the depreciation of the dollar.

Someone earning \$5,000 as of December, 1965, is now receiving only \$4,666. What does this mean to the average person? Let me give an illustration from the taxation statistics for the year 1965, which are the latest available, by referring to my home city of Stratford. The average income of those in Stratford who paid income tax was \$4,527. They paid an average of \$485 in income tax, leaving \$4,042 to live on, to pay interest, municipal taxes, rent, food, clothing and all other miscellaneous expenses. Granted, they probably have had some increases in income since then.

Supposing someone was receiving the same number of dollars today as he received in 1965, as is probably the case in respect of many on fixed income. Do you realize how much has been lost to that individual, even without taking into account the change in the level of taxation? That \$4,042 figure in 1965 is worth only \$3,772 today. Rising costs have gobbled up \$270 of that average taxpayer's income. Let us not forget that this is based on the 1965 figure and the tax being collected at that time. Since then this government increased personal income tax in March and in December of 1966. Without taking into account the increases in taxation of March and December 1966, or the increase which is to be put on now, that taxpayer with an average income of \$4,527 has \$3,772 left today because of inflation. On the basis of today's taxation this would be much less.

The government proposes to increase taxes again. Is it any wonder the average Canadian citizen cannot make ends meet? It is my claim that this government is responsible for the situation. The minister says he is going to eliminate budget deficits as nearly as possible for next year. There must be a clear understanding about cutting back of government expenditures.

Mr. Sharp: Now you are opposing this?

Mr. Monteith: The minister has been talking for weeks about cutting back.

Mr. Sharp: Without any encouragement from the other side.

Mr. Monteith: The other night he was forced to admit that he could not cut back, but could control the amount of increase. I do not believe he can even do that.

Mr. Sharp: Not with the support of the opposition.