

Increased Cost of Living

had not sold \$1 billion worth of wheat last year, what would our financial situation be today?

This figure of \$1.65 a bushel is the approximate price the farmers have received for the last ten years. Let us apply a little rule of thumb and be honest about this, Mr. Speaker. Wages for labour have gone up about 30 per cent in the last two years. I do not begrudge them this; I think our workers deserve an increase. But if we had increased the price of wheat by 30 per cent, it would today be selling at about \$2.10 a bushel. This shows how unfair the situation is, and I think it is about time we took a good look at this question.

I should like to make one or two suggestions as to what we should do in this regard. For example, we should provide the farmer with incentives and encourage him to develop marginal land which we will need very badly. The situation is urgent,—not forgetting the space another 3 million will need.

Having said that, I want to turn to another important reason that salary earners require more money. One of the reasons we have had so many strikes lately has been simply that government taxes have been piled on government taxes, and this has led to inflation. Government taxes at all levels, plus various deductions amount to nearly half of every dollar the salary earner takes home today. Income tax has gone up and up. There has been imposed by this government an 11 per cent sales tax on building materials and productive machinery during the last two years. The Canada Pension Plan takes close to a 2 per cent bite out of every earned dollar. A further 2 per cent bite is taken out of the income of the employer, who must add on that cost to his product. This he does by raising the price of the material or service he is selling.

In addition, Mr. Speaker, we also find that this government is head over heels in deficit financing. Even the government of the province of Ontario is in debt. They are engaged in deficit financing in a period of boom which has run from 1961 to 1966. What is wrong with the principle that when times are good we should have a balanced budget? Today this principle is disregarded. I not only criticize this government but I also criticize the provincial government of Ontario for deficit financing in good times. Where in the name of conscience do they think they are going with their deficit financing? Somewhere along the line the accounts will have to be balanced and they can only be balanced by inflation-

[Mr. Rynard.]

ary practices.

So I say, Mr. Speaker, that today government taxes are one of the major causes of the increase in our cost of living. I have mentioned sales tax, the increase in income tax and Canada Pension Plan deductions. In the province of Ontario we find a 5 per cent sales tax in effect. There is a 15 per cent sales tax on each gallon of gasoline. Granted, we have good roads, but all these taxes mean less and less take home pay for our labour force. This all adds to spiralling costs, and it is stealing from people on fixed incomes.

That, Mr. Speaker, is the situation we are facing today and all of us, as good Canadians must try to face up to these serious problems. I am not being hypercritical of the government when I say to them that they must cease increasing taxes. They must return to a balanced budget. We have had, as I say, the longest boom period in the history of this country, yet last year the government had a deficit of \$1.5 billion. What would happen if there were a recession tomorrow? The government holds the purse strings and should control fiscal policies in Canada. This is a serious problem.

In conclusion, I say to the government that they must stop building castles and spending money. Give the taxpayer a break. Second, they must stop taxing the people and leave them a little more in their pay cheques. Let the people make a few decisions for themselves. It is the ordinary people, Mr. Speaker, who are our greatest resource. Without them, their abilities and their dedication, Canada can go nowhere.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I will be very brief in what I wish to say. It is because of the situation which developed in the house yesterday that I wish to address myself to the tenor of the amendment which is currently before us. I pay particular attention to the words "equitable distribution of rising productivity and national income".

I do not think the intent of this amendment is necessarily socialistic. I noticed that several supporters of the government have taken strong positions on the meaning of the amendment, but I really do not feel they have been justified. During the course of this year, particularly in view of the alarming rise in our cost of living, I have felt that some solution should be sought on a national basis to deal with this problem. I regret to say that this government, in the course of its tenure of office, has not sufficiently recognized the need in Canada for national policies.