

Interim Supply

I would add, on the whole picture in Canada as it relates to confederation and to the nation, Canada.

However, this does not mean that every problem has been settled. Far from it. Nor are the decisions reached at the conference the total and final answers. Far from it. The new fiscal arrangement providing \$87 million extra for the provinces is not really the basic item of importance. At best it is a temporary, makeshift agreement. We must have a more durable agreement, one that can continue at least for the foreseeable future.

I am concerned about the taxpayer. The struggle has been for the taxpayer's dollar. I am sure the taxpayer will realize more than ever before, that it is not as important to whom he pays his tax dollar or who it is that is going to spend it. He is concerned about how many more tax dollars he is going to be forced to produce in order to meet the demands of increasing governmental costs. The one thing that John Doe taxpayer can be sure of as a result of the conference is that his taxes are going to increase, and that the deficits are going to increase as well because the \$87 million more than last year that is to be turned back to the provinces is going to have to be raised somewhat. The only source is out of the taxpayer's pocket or else out of further borrowings by the government. The only other alternative is that the government will drastically reduce its own expenditure and this does not seem possible, particularly in view of what has happened this year when we expect to have an even higher deficit although the Minister of Finance very carefully explained in his budget presentation that he hoped to decrease these deficits which he recognized could not continue.

We can say that a lot of good was accomplished by the conference, but when all the good about it has been said a dreadful, hollow feeling still remains, if we will be honest with ourselves. A little more haggling, a little more patching up, an agreement to discuss some other points later; is this the best that can be done at this critical time when we should be rethinking the whole situation and laying down a pattern for the entire basis of confederation? If this is it, then I do not believe this government can be regarded as anything more than a caretaker government, an administration that cleans up some of the leftovers from the previous occupants of the seats of power, an administration that tidies here and there and sweeps and dusts, but an administration that is not making progress in solving the basic problems of our confederation because it does not seem to know the direction in which it must go.

The premier of Alberta, Mr. Manning, in his opening statement asked the conference to lay out a basic groundwork of sound principles that could be a guide in working out the whole basis of federal-provincial relationships in the future. This seems to me the logical first step in providing the answers for the future, but the conference took no action on this suggestion. What has emerged, particularly when it comes to the apportionment of tax equalization payments, can be attributed to no really sound principles at all. It was a solution that was expedient, and probably necessarily so for the time being; but what about the future? In my opinion Johnny Canuck's pocketbook is up for grabs. We have yet to see those sound and constructive financial policies which are the clear responsibility of the federal government and which will fill that pocketbook sufficiently for Johnny Canuck to be able to pay what is required of him. Again, it is not how we are going to spend a dollar that he has available today but how are we going to expand the entire economy so there will be more dollars available to the taxpayer and more for governments as well.

It is in the light of this entire picture that it is important that steps be taken whereby the financial operations of the federal government can meet the problems that the different levels of government face, and so that the private sector of the economy can give assurance to the nation that we are really going forward and expanding. The Minister of Finance will surely agree with me that if we could relieve the federal government of its burden of debt and its burden of interest payments we could then place the creation of an adequate money supply, which the economy of the country needs, on an orderly basis through the Bank of Canada, which after all was created for that very purpose. That was why it was brought into being, as the prime minister of that day explained, and if this were done there would at least be some hope for a financial future for the federal government, the provincial governments and the country as a whole that would not involve complete collapse under intolerable levels of taxation and interest costs and ever increasing deficits. As it stands at the present time, there is no alternative prepared or projected for this problem.

I maintain that unless we can do this we will continue to have conferences which will attempt to patch up and make something work which is really not working at all. Provincial and municipal governments are forbidden by law to invade this federal field. Therefore the entire responsibility falls back on the federal government. The other levels have their own responsibilities but they do