

The Budget—Mr. R. N. Thompson

Yesterday the Prime Minister (Mr. Trudeau) said that his announcement was but a clear statement of what was previous government policy in 1966. It might have been previous stated policy in 1966, but the provinces did not agree with that policy. The provinces expressed very strong objection to the policies that the federal government was enacting. Their concern about the situation is simply this: Where are they going to get the required money?

According to the budget the medicare program is estimated to cost in the coming year \$335 million. What consideration has been given to the provinces which are supposed to collect a like amount of \$335 million? And medicare costs are just beginning. It seems to me that here again is sheer irresponsibility in the matter of federal policy. This kind of policy will make it increasingly difficult for provincial governments to carry out their legitimate responsibilities—after all, there is only one taxpayer—and besides it will weaken the whole process of federalism in this country.

And so, Mr. Speaker, I am concerned, as I think we all are. If many of the backbenchers across the way were able to express their opinions I think they would say so too. This budget strikes at something that is of great importance to the whole process of government, to our whole taxation structure, in fact, to the whole financial situation facing the country.

We realize that government must increase in size because governments have increasing responsibility in the affairs of our nation and our people. But we cannot allow government to increase to the extent that it destroys individual rights. We cannot allow it to increase so that it destroys the whole base of taxation and financial policy as it relates to the provinces. We cannot let it increase in size to the extent that the tax load becomes too heavy for the taxpayer to bear. We must hold back government spending. We must call a halt to present inflationary policies—and I mean call a halt, Mr. Speaker, not just talk about it and then turn round and do the opposite—in order to allow the economy to grow so that it will be able to bear the increased load that is being placed upon it.

At the same time that we call a halt to present policies we must be searching for new policies which will permit of fiscal results different from the present ones. Today we are actually taking away the very incentive that is required in our business community,

in the private sector of the economy. We need to give greater encouragement to individual Canadians engaged in business and in industry in order to help them establish and grow, to help them provide employment and increase productivity, instead of penalizing them for doing this. This is the only way we will have a healthy, Canadian-owned business economy.

Unfortunately, Mr. Speaker, we do not encourage individual enterprise, we penalize it. Not only do we do this but we destroy the confidence of our own people to invest their savings in the economy. The savings of the Canadian people during the past year have been estimated to amount to approximately \$1,300 million. In fact, the amount of savings in the chartered banks and in the savings banks in Canada is over \$10 billion. However, from this amount of \$1,300 million \$600 million will be transferred abroad for the purchase of securities on the U.S. market, mainly on the New York and Chicago stock exchanges. All too often these investments are in questionable stocks. Do Canadians realize this, Mr. Speaker? I do not think they do.

• (5:00 p.m.)

We desperately need capital so that our economy can grow. For five years we have talked about setting up a Canadian development corporation; yet we continue to ship out increasingly large amounts of Canadian savings. If such large amounts are available to be exported from this country why have the Laura Secord candy company, MacIntyre mines, various petroleum companies and the potash industry of Saskatchewan been taken over by United States capital during the last year or two? For about \$400 million Canadians sold \$15 billion worth of potash reserves because it was said we did not have capital. Yet we ship out of the country far more capital than would be necessary to hold these companies under Canadian ownership.

Someone has suggested that our tax dollars should be used to subsidize new development in industries which are usually foreign owned. I doubt that this is a sound policy. Certainly the government ought to do everything it can to restore the confidence of Canadians in their own economy so that they may invest their own savings in Canadian resources development and industry.

It has been said that there is not enough Canadian money to finance Canadian development. That is not true. Canadians are conservative investors; we are a nation of bond buyers and insurance investors. Yet Canadians do not put their money where I submit they