

*Supply—Finance*

capital so far as settlements and exchange are concerned. He said that they declared that interest rates would inevitably go still higher, and that some time in the future they would find some other alternative but it was not in sight at the present time. I do not understand that such experts could be so foolish as to think in this way because it has become inevitable that if some action is not taken soon Canada will plunge into a depression which will make the 1930's look, as someone said not too long ago, like a Sunday school picnic.

These are the things that concern us. This floating game of the so-called international monetary experts will have to come to an end before too long, and I can only hope that Canada will take a lead in suggesting alternative policies. The stakes are high. What we need on the international scene is a new kind of money, an international reserve currency which, as someone has said, would be as good as gold and as sound as the dollar. We cannot go on with the kind of thing that the Minister of Finance talked about in the question period on Monday.

This brings us back to the situation here at home—a remorseless increase in the size of the government, a continuing and spiralling increase in rates of interest, an increase which goes on inevitably so far as the size of the national debt is concerned, and not only the national debt but consumer debt as well. What further proof do we need that something is wrong with the source of money and capital in this country than the increased size of consumer debt? Our high standard of living today exists simply because we are putting off until tomorrow payment for the things we consume today. We are not only putting it off until tomorrow but until the next generation or the generation after that, because that is how far the projection goes in some cases.

At the same time, taxes go higher and higher. Higher taxes are not the cause of the situation but rather are symptomatic of it. This is why I had hoped that the Minister of Finance, instead of coming up with a nice, high-sounding speech and the platitudes he expressed today in his statement about the seriousness of the situation, would have proposed something a little more realistic and hopeful than just a new review board and a freezing of the size of the public service.

We will co-operate with the minister in any way we can in trying to provide some kind of temporary stopgap measure to ease us over

[Mr. Thompson.]

the present situation, if it is possible. But while I say that this will be our policy as we deal with the legislation which the minister will bring forward, I plead with him to do something different from what he has done until now. If he really believes that medicare is financially not good for the economy at this time, let him put it off for another year. The provinces do not want it. Let us give them a chance to have some say on how they shall control their taxes instead of forcing them to abandon their own medicare programs which in their own way are working very effectively in meeting the needs of the needy. Why impose welfare state policies on people that most of them do not want?

What must also be done by the minister is to get really tough with government expenditure. Even with the cut-back of over \$1 billion in projected expenditures for this year expenditures are still increasing by 3½ per cent over last year. This does not include the supplementary estimates which will inevitably come before the end of the fiscal year ahead of us. If this were done it would be more effective than what the minister has proposed today to meet the pressures on the Canadian dollar and on the stability of the whole financial situation.

This is the situation as we see it in our party. I should like to assure the Minister of Finance and the people of Canada, as well as all of us in the house who share his concern, that while we do want to co-operate in doing what is now necessary, it is high time we stopped riding along with the status quo. We should follow the advice of a lot of sound-thinking people and discard some of the policies that have been proven, countless times over, not adequate for our needs.

**Mr. Irvine:** Mr. Chairman, I will not endeavour to cover the ground that has already been covered. There are a few things I would like to mention which have not been mentioned so far. I was very pleased, as I am sure most members of the house were, with the conciliatory tone of the Minister of Finance. I would almost say his tone was benevolent. It was a rather far cry from some of the words we have heard from him here at times. In fact, I almost thought at times he would come out with this quotation from the famous prayer of St. Francis:

Where there is hatred, let me sow love;  
Where there is injury, pardon;  
Where there is doubt, faith,  
And where there is despair, hope.