

The Address—Mr. Hellyer

United States is still our largest customer, all our eggs are no longer in one basket.

In regard to contributions to the provinces, it is a little known fact that up to March 31, 1961 the cumulative increases in federal contributions to the provinces and provincial institutions exceeded the cumulative budget deficit for the same period of time by almost \$300 million. In other words, if these additional payments had not been made there would have been no deficit. For instance, payments to all provinces for hospital insurance this year will be \$284 million.

Let us look at the picture as far as payments to British Columbia are concerned. In 1956-57 the Liberals contributed \$7 million to the trans-Canada highway construction. This year we will contribute \$17 million. By the time this highway is completed the federal government will have contributed over \$100 million to the province of British Columbia, or about 25 per cent of all the money paid to all the provinces. An additional \$40 million will have been spent on the highways and national parks in British Columbia since 1957. Yet the highway is plastered with signs leading the motorist to believe this is the work of the Social Credit government alone.

In the fiscal year 1956-57 the Liberal government gave just over \$17 million in conditional grants to the province of British Columbia. In the present fiscal year this government will contribute over \$70 million. Payments for old age security, family allowance, blind and disabled persons allowance, veterans payments, hospital construction grants, unemployment insurance, old age assistance, and so on amounted in 1956-57 to \$137 million and in 1960-61 to \$245 million, which includes \$22½ million paid to British Columbia for hospital insurance for 1960-61. Just over \$33 million was paid to British Columbia for hospital insurance prior to 1961, and in the 1962 estimates \$26.4 million is provided for this same purpose.

Therefore by the end of the 1962 fiscal year British Columbia will have received over \$82 million for hospital services. In the province of British Columbia we were already paying a 5 per cent sales tax, of which 2 per cent was earmarked for hospital services. When the federal government agreed to cover half of the costs of hospital services the premier of British Columbia indicated that the province was in a deficit position in regard to payments for hospital insurance, and that these payments from the federal government would be used to offset this deficit.

Well, the deficit has been far offset by now; yet there has been no reduction in our sales tax, and the money which is coming from the federal government to help pay the cost of hospital insurance in British Columbia is going into consolidated revenue to be used for

whatever purposes the provincial government may wish to use it. I wonder how many Vancouver taxpayers know that each year this government has paid back to the provincial government, as a special grant, 50 per cent of the taxes collected from the B.C. Electric Co.

We have doubled the per capita allowance for university students. We have increased grants for hospital construction. We have brought in a ship building subsidy to help our ship building industry—a measure which is of major importance to the west coast. We have increased the capital of the industrial development bank to \$400 million and made this money available as loans to small business. We held down freight rates by government subsidy to help, in particular, British Columbia and the maritimes.

All these measures, together with many others which I have not named, were aimed at stimulating the Canadian economy, increasing purchasing power, increasing exports and accelerating the development of our national resources. We were fighting unemployment and a sluggish economy caught in a typical North American recession.

Mr. Deputy Speaker: I regret to interrupt the hon. member, but his time has expired.

Hon. Paul Hellyer (Trinity): The speech from the throne is more notable for its omissions than for what it contains. It includes only passing reference to the great and important issues of the day. Not much is proposed in order to get Canada going again.

Dynamics of growth such as trade, industry and immigration, for example, are scarcely considered at all. The urgency of deciding on a defence policy for Canada is not realized. This view is shared by many thoughtful observers. For instance, the *Globe and Mail* of January 20, 1962, in an editorial entitled "The Uncertain Trumpet" had this to say:

There was a general expectation in Canada this week that the speech from the throne opening what presumably is the last session of the present parliament would be a resounding election manifesto. It has proved to be nothing of the kind. It would be difficult to imagine anything further from a blast of trumpets. It is in fact, a curiously thin and inadequate statement from a government which must soon face the voters.

The financial editor of the *Montreal Gazette* takes a similar attitude in his column. On January 19 he is quoted as saying:

A reluctance to come to grips with really basic issues is also apparent in the references to the British entry into the common market.

He was referring to the speech from the throne. The government's defence policy, or lack of policy, remains unchanged. There is no indication as to whether or not Canadian troops will be armed with atomic warheads.