

*The Budget—Mr. R. N. Thompson*

There is another interesting fact which relates to the government bonds being offered at the present time. The government has boasted a great deal about the current issue of government bonds. We hear advertising on the news media and read advertisements in the newspapers every day about what a profitable investment these government bonds are. They yield an average interest of 6½ per cent for a period of 14 years. It is staggering if you understand just what this means. It means that those who buy this new series of Canada savings bonds will receive two and a half times their original investment in 14 years. The government's goal is \$1 billion for the sale of these savings bonds. The advertisements point out they are a good investment. I am concerned about the taxpayer who is the one who is going to have to pay the interest on these bonds. A \$1,000 bond will bring an investor \$2,500 in 14 years. The federal government never pays its debts. What it does is to borrow more money to pay off existing debts, thus incurring new debts at higher rates of interest.

• (4:50 p.m.)

The reason the government is selling \$1 billion worth of Canada savings bonds at this time is simply that it must pay off previous issues which are now falling due. In 14 years' time the investor who has turned his \$1,000 investment into \$2,500 will cost the taxpayers of this country \$1,500. If he reinvests that money, do you know what will happen to our young people who are just starting to work today? In 28 years they will have to pay \$6,250 for the original \$1,000 investment. That is the tragedy of this kind of financial policy. How long can it continue? We do not know, but we are concerned about it, and this is why it is necessary to speak in this vein.

We are all very much aware that in Ottawa today a conference is being held of federal-provincial finance ministers. I have stated that the impact of this budget on the individual taxpayer will be very serious indeed. However, what I am even more fearful about is the relationship between the federal and provincial governments. I believe that this budget will bring about open warfare between the provincial governments and the federal government. This can lead us nowhere except into a tax jungle from which it will be very difficult to find our way out. Not only is this going to happen but the whole process of confederation will be weakened as a result of the bitterness that will be

[Mr. Thompson (Red Deer).]

generated between these two levels of government in this country.

Yesterday the federal government blandly announced that it will get out of shared cost programs five years from now. But it is the federal government that fashioned these programs. Take, for example, medicare. Not only did the federal government design the medicare program, which today is being held out by the federal government on a take it or leave it basis, but it did so in the face of opposition from practically every provincial government except Saskatchewan, and it is quite understandable why the province of Saskatchewan was in no position to oppose it.

Most of the shared cost programs have been the product of federal government policy. Most of them have been forced upon the provinces in the same way that medicare is being forced on the provinces today. The province of Alberta has a reasonably satisfactory health program and so has the province of Ontario. They are not perfect but they are improving each year as the provinces gain experience with their plans. These programs are aimed at helping those who are unable to help themselves. Both programs have as their objective helping those who need help, which after all is the responsibility of government. But this objective should not be carried to the extent that programs and policies are imposed upon people who are not in need of them and who in most cases do not want them. Provincial governments which have not yet participated in medicare are being forced, politics being what they are, to participate. The federal government now states that it is going to opt out of these programs in five years. Not only is the medicare program involved but other shared cost programs as well.

What disturbs me about the whole federal-provincial relationship, this so-called co-operative federalism that we have heard so much about during the last five years, is that the federal government, behind closed doors, works out a policy about which it does not even inform its own backbenchers. That policy is proposed to successive provincial conferences, again behind closed doors, and then the federal government, because of the very nature and method of its approach, forces the provincial governments to go along with that policy, in many cases even before the representatives of the provincial governments can return home and consult their own legislative assemblies. Now this founder of the "just society" has stated the government will opt out of such programs in five years.