

*The Budget—Mr. R. N. Thompson*

cost of servicing the national debt. This has gone up some \$67 million more than had been expected. Why? Obviously it results from the previous government's policy of insisting on lifting the ceiling on interest rates. I can recall listening to the former minister of finance in the committee on finance and economic affairs when he said that lifting the ceiling on interest rates would not substantially increase the cost of money but would instead make more money available. Not only has the cost of servicing the national debt increased by \$67 million more than had been expected, but the total cost of servicing the national debt has risen to \$1.47 billion.

By the way, it is interesting to note that the national debt itself has reached the astronomical figure of \$32,926,300,000. Now, the cost of servicing that debt this year, being \$1.47 billion, represents an increase in interest this year of \$370 million. How much farther can this kind of policy go without bankrupting the nation? In fact, the interest cost on the national debt takes 14 cents out of every tax dollar we pay. This is one-seventh of the entire 1968 budget. Is this good house-keeping? Is this responsible fiscal policy? How long can it continue?

So, Mr. Speaker, I can only say that I am concerned about where the government's financial policy is taking us. I am also concerned about the smugness and arrogance which the government shows to the public with regard to these policies. I can only go back again to what the Minister of Finance said a short time ago when he boasted that the government had cut expenditures by some \$800 million. In fact, it was the present Minister of Finance who said on December 7, as reported in *Hansard*, page 5180:

—that the estimates which were brought in amounted to \$11.5 billion and we are going to keep them to \$10.3 billion.

Is it any wonder that the credibility of the Minister of Finance is being questioned? During his budget speech the minister said that this was a budget to ensure a sound economic and financial base from which to move forward through a new period of balanced expansion and social progress. Can we accept such a statement in view of his record? We cannot, and so the credibility of these statements is in question. In addition, the reliability and capability of the government to supply a sound financial administration are also in question. The ultimate result of all this is a crippling tax burden which becomes more than the taxpayer can bear.

We are the most overgoverned people in the world. When the cost of municipal government, provincial government and federal government is added up the astounding total is that nearly 47 cents out of every dollar Canadians earn, regardless of how they earn it, is being taken back by government to meet the cost of government. Historically and economically we know we are fast reaching the breaking point. We placate our consciences by comparing our federal budget with the tax load imposed by countries such as Sweden and Great Britain, but we fail to mention the fact that we have three levels of government whereas they have two. We do not add up the total tax load as it must be added, because in the end there is only one taxpayer. It is the taxpayer who gets the rap in this budget.

My honourable colleague who spoke just before me mentioned the social development tax of 2 per cent. This is one of the most vicious taxes that has ever been imposed on the Canadian taxpayer because it hits the small wage earner who cannot afford it and, as the Prime Minister (Mr. Trudeau) has said, it relieves the tax load on the rich. Not having been in that fortunate or unfortunate position, perhaps I do not understand. Perhaps the Prime Minister does. It is not only the members of the opposition who are protesting. I was most interested the other day to pick up a comment by the treasurer of Saskatchewan, Mr. Stewart, who happens to belong to the same party as the Minister of Finance. According to this article he said:

—the 2 per cent social development tax in the budget could bring about a totally different relationship between federal and provincial governments and "could work a real hardship on the provinces."

He said the tax will not be shared with the provinces and will merely aggravate a growing inequity between the provinces' constitutional responsibilities and their revenue resources.

"The federal tax structure committee two years ago pointed out this condition to Ottawa," Mr. Stewart said. "Had the federal government shown more fiscal responsibility then, and resisted the temptation to introduce new programs, funds would have been available to alleviate this imbalance."

I wonder what the same Mr. Stewart is saying today in the conference of finance ministers about some of the other policies of the government such as the opting out of shared programs as announced by the Prime Minister only yesterday? I am sure that his feeling on the matter is shared by every other provincial treasurer, just as it is by every thoughtful member of this house if he considers the tax loan imposed in this country.