

*Supply—Finance*

maintain a firm economy and a sound financial foundation for confederation. He should not allow himself to be swayed from that position by demands from different parts of Canada to balkanize the country under the guise of local autonomy, or even for ethnic or racial considerations. There is a price to be paid for maintaining Canada. It is not a price imposed by English speaking Canadians or by French speaking Canadians or by any province. It is a price imposed by federation itself. It is a price we cannot avoid paying without heading for the rocks of disintegration and balkanization.

**Mr. Nowlan:** I refrained from speaking on the first item, since the minister did not open on that. I thought it would be advisable to defer the few words I intend to say until somebody else has spoken. After all, I am in a position of having prepared these estimates. I can vouch for the fact that they are well and truly prepared. Undoubtedly, no better estimates were ever prepared than these.

The Christmas spirit prevents my discussing any administration of the items and it is obvious there is little I can say about the estimates themselves. I know there are editorial writers who may say it is unfortunate that parliament passes provisions for expenditures totalling hundreds of millions of dollars in such a short space of time, especially as these sums affect the whole economy of Canada, but I think these writers should be reminded that there have been many discussions concerned, directly and indirectly with these estimates of the Minister of Finance during past months. Aside from the speech from the throne there have been the budget, the budget resolutions, the resolutions preceding the income tax legislation, the income tax debates and all the others which have gone on for month after month.

There is a very popular word today; I think its original meaning has been confused. We hear a great deal about dialogue. It is an impressive term. I think there has been a widespread and fairly well developed dialogue with respect to the fiscal policies of the minister and the department during the past six or eight months. There is another word which is also in popular use today, the word consensus. I am not suggesting for a moment that there has been any great consensus as a result of the dialogue. Nevertheless, these things are in the course of discussion and, I hope, of fruition, and I do not see any point in discussing them at any length on this occasion. One could spend minutes or hours in discussing them, but I think most of the subjects which have arisen in connection with the hon. gentleman's policies regarding taxation, fiscal matters and the rest have been

well debated in this house, in the press and in various organizations outside, both nationally and internationally and, frankly, I cannot see any great point in continuing at any length now.

After all, we can almost hear the sound of Christmas bells as the reindeer are harnessed, or as the jeep is prepared, and before we know it we shall be back here again. There will be another budget. The minister's policies will again be given careful scrutiny, and, this time, we shall have more experience of them. When another budget comes down, and I presume this will be fairly early in the fiscal year, it will be much more expedient to discuss these matters rather than to go into great detail at this time.

I agree with the previous speaker as to the necessity of maintaining the unity of Canada. I agree that the maintenance of Canada demands a price. We accepted that when Canada was formed. Our forefathers knew it, and it is well we should recognize it today. We have paid that price for almost a century and I am sure we will continue to do it.

There are one or two questions I might ask. When the minister does speak he might tell us whether any discussions are going on with respect to the renegotiations of the tax conventions, the one with the United States being probably the most important. We should like to know what stage these negotiations have reached. The hon. gentleman might also tell us about the progress of legislation in the United States affecting the so-called Kennedy tax measures which are somewhere in congress—I guess congress adjourned early this morning—and the probable effect of this legislation on the inflow of capital. The minister might have an opportunity to refer to these questions when he rises to reply.

**Mr. Olson:** As has been suggested, members of this party have had many opportunities to present their views with regard to the Department of Finance in the course of this session. It is apparent to members of the committee that we are particularly interested in these public debt charges, so I should like to ask a couple of questions about this particular item. We note that there will be an increase of \$92,783,000 in the interest on the public debt in the 1963-64 fiscal year compared with the 1962-63 fiscal year. This changes total debt charges from \$761,840,000 to \$854,624,000. I should like the minister to give us the reasons for what appears to be a very large increase from one year to the next. We should like to know whether it has come about as a result of an increase in the total indebtedness or whether it is because of higher rates of interest on the national debt. Another reason could perhaps be that there has been some conversion from