

for pensions to its servants, and for its annuities it has been selling for years—and I think probably every annuity has been sold at a loss. It has other responsibilities. For instance, it has the obligation of the crown corporations, some of which are very doubtful in their foundations. However, putting these all together the total federal obligations are about \$25 billion. The total of the provinces is over \$9 billion, and the total of all municipalities in Canada is over \$6 billion. If we lump these individual figures together we find the total public debt in Canada today, federal, provincial and municipal—is around \$40 billion.

It does not make much difference to me whether I am taxed by the federal, provincial or municipal authority. The thing that concerns me is the total burden of taxes I have to pay, and an examination of those figures indicates the seriousness of that situation. I am not here to assess blame for how this has arisen—that is water over the dam and is gone. However, I do suggest that there is no matter of greater concern for Ottawa and the provinces to consider than to get together and discuss this question and see if they can reach agreement on their respective responsibilities. There is no doubt in my mind that there is a tremendous amount of overlapping in provincial and federal administration. Take agriculture as one instance. The federal Government is concerned today in a large way with all aspects of agriculture, and you can go to pretty nearly every province in Canada and find they are duplicating that service. Surely something could be done about that.

The point I wish to make is that in the interests of Canada—let me repeat—Ottawa and the provinces should get together and, if possible, arrive at an arrangement whereby federal responsibilities are definitely fixed, whereby provincial responsibilities are definitely fixed, and then some agreement as to how the total revenues could be divided to enable each authority to carry out its responsibility. I am bound to say that as far as I am concerned, if necessary, in the end, I would be prepared to fight an election in this country on that issue.

Then we might get away from this carnival of making promises to the electorate in order to get votes. That was not done by the Fathers of Confederation. They dropped all those considerations and thought only of how they could lay the foundations for this nation. Are we, after 100 years, to throw that ideal into the discard? Surely it is possible to find men in Canada, men of vision and ability and with sufficient confidence in each other that they can sit down today and solve these problems that are almost as great, but not quite as

great, as those faced by the Fathers of Confederation. That is the proposal I want to submit to this house.

There is one other thing that concerns me very much, and that is the erosion of the value of our money. If history teaches us one lesson it is this, that the supreme responsibility of government is to try to maintain a stable value for its currency. What has happened? During wartime a measure of inflation is inevitable, but it is nevertheless interesting to note that what \$67 would buy in 1939 costs \$100 in 1949, and what \$100 would buy in 1949 would now cost \$136. I think this is a matter of very great importance. It is a matter which does not hit the members of this house very much because we received an increase in indemnity which matched the increase in the cost of living. The salaries of civil servants have been increased, and we have had the repeated threats of strikes unless labour received more money, which was granted, and which also matches the increase in the cost of living and compensates for the erosion of the value of the dollar.

But what about the hundreds of thousands of people in Canada, the best citizens of this country, who are living on fixed incomes? These people saved during their working years and invested their savings and thought they had sufficient to maintain themselves. But what has happened? Let me give you a direct illustration. A citizen bought a 4 per cent \$1,000 bond in 1949. That gave him an income of \$40 a year. There has been a decline of more than one-third in the value of his \$40 in the short space of 15 years and today his purchasing power from the income from that bond is only about \$26, whereas he expected it would be \$40. That is an indication of what happens when creeping inflation, or any other kind of inflation, overtakes us.

I have often marvelled at the wisdom shown by the Fathers of Confederation. They had to deal with practical difficulties that had existed for almost 20 years in the administration of the old province of Canada. They knew where the pitfalls were and they laid down a constitution which we have largely departed from. I for one do not believe for a moment that this country can be successfully governed or can be held together by concentrating more and more power in Ottawa. I think the division laid down by the Fathers of Confederation was a wise division. We had better let the administration of justice, education and roads revert to the provinces, and let each play in its own back yard.

Above all, let us try to get this thing settled because, honourable senators, if it is not settled within the next 10 or 15 years,