

*The Budget—Mr. Bourget*

will generally admit, I think, particularly since the last budget, that we must logically pay for what we get. But I want to point out to the minister, and more particularly to my honourable colleagues in the Quebec Conservative party, that in this year's estimates there is an amount of \$160 million for hospital insurance a large proportion of which will have to be paid for by Quebec taxpayers, while not a single one of them will benefit from it.

In fact, you no doubt heard, Mr. Speaker, that, not very long ago, our premier in Quebec stated flatly that he could not agree to participate in that program. In that case it might be a good thing to ask the honourable federal ministers from the province of Quebec to arrange a meeting with the head of the Union Nationale, i.e. the premier of our province, and ask him whether he would not change his mind so that Quebec people might benefit from this legislation when they need it. Mr. Speaker, as a member of this house, you probably have had people come to you, as they do to me, who cannot pay their hospital bills. Unfortunately, in my case I have to tell them: "Well, you know that in the province of Quebec hospital bills are paid only during election time."

In the course of his remarks, the hon. minister said the following words, as reported on page 2416 of *Hansard* of April 9. I quote:

The measures which I propose are designed to safeguard the credit of the country—

Mr. Speaker, a lot could be said on the subject, because I think I am right in stating that the credit of our country has never been as unsteady as it is today. As I said on television on the night of the budget speech, because of his financial irresponsibility, the present Conservative administration has broken an impressive number of records that it would be advisable to have printed in *Hansard*. In fact, government expenditures have reached their highest level since Confederation. The deficit is the second highest in peacetime after last year's. It is the third consecutive deficit of the present Conservative administration. We now have the highest interest rate ever recorded in Canada. Unemployment is at its highest level since statistics were compiled. It is also, I must point out, the first time taxes have been raised in peacetime since the days of another Conservative government, that of Mr. Bennett.

With regard to Canada's credit position, allow me to quote the following article which appeared in the financial page of *Le Devoir* on April 20, 1959:

Canada's rising interest rates make borrowing an expensive proposition.

66968-9—187

Then we find:

Investors reluctant.

I have been told, Mr. Speaker, that the word "investisseur" is not very good French, so I shall use the French word "acheteurs" instead. I quote:

Is Canada ready for an increase in its money supply?

The Bank of Canada discount rate has been rising for five consecutive weeks, reaching a record peak of 4.86 per cent last week, or four times the rate of 1.12 per cent recorded nine months ago. It was 4.67 per cent last week.

This means that the government has to pay more to borrow money, a factor which increases the interest on the national debt. The cost of money has generally risen to such a point that a large proportion of the people and of Canada's business community now have to shoulder the heavier cost of servicing the national debt.

The budget brought down last week by the Finance Minister Fleming, which involves heavier taxes, apparently has hardly led people to invest more money into government bonds.

The prices of bonds, which registered a drop last year, show no evidence of recovery. An investment broker has indicated that investors feel sure the government, despite its intention to reduce the deficit for 1959-60, will need considerable funds to finance its operations this year.

Well, I hope, Mr. Speaker, that the hon. Minister of Finance, with the new measures he has proposed, will be more successful.

I see that my time is running out; I will then refrain from making certain remarks that I would have liked to make on that matter.

And yet, Mr. Speaker, I should like to refer briefly to the financial position of our municipalities. Hon. members no doubt remember that, during the last election campaign, the Prime Minister (Mr. Diefenbaker) in particular, showed fatherly compassion over the fate of municipalities. May I quote from *Le Droit* of February 25, 1958:

Mr. Diefenbaker said that the government realizes the difficult financial position in which the municipalities of this country find themselves. "We will see—

And these words are between quotation marks.

"We will see that they are granted a reasonable share of taxes, said the Prime Minister, so that they can meet the new needs created by their rapid growth." According to Mr. Diefenbaker, this sharing will be carefully discussed between the governments concerned. The federal government is prepared to adopt a program of assistance to municipalities based on that study and on the recommendations of the provincial governments.

That statement, sir was made during the March 1958 election campaign. It was a nice promise to make during an election campaign. But, actually, what has happened since then?