

Supply—Finance

which continuously threatens the individual, the Canadian worker.

[English]

Mr. Thompson: Mr. Chairman, in rising to speak in this debate in response to the remarks of the Minister of Finance today may I say at the outset that I respect the counsel of the Minister of Finance in his warning that we are indeed in very serious financial difficulty and that unless the problem is handled wisely and carefully we will continue in a situation which could become catastrophic for the country. I agree with the minister's statement in this regard because I think the situation is serious at the present time. One has only to note the handwriting on the wall and the signs of the seasons, so to speak, to understand that this is true. So while it is necessary for me in responding to the minister's remarks to be critical of the government's policies which I believe have created much of the difficulty we face today, I speak in the hope that even yet the minister will act as I believe he should have acted long ago in an effort to bring some order at least out of the threatening financial chaos.

The most impressive aspect of the minister's speech was not so much what he said but rather what he did not say. The minister gravely warned Canadians that Canada faces economic pressures. He has gamely given up, at least temporarily, participation in his party's leadership race because he must devote his energies to the critical problems which are his responsibility as Minister of Finance. Yes, this is a great sacrifice he is making. But if this is the truth of the situation he is now reaping what he has been sowing for the last several years. We can but offer him our sympathy and hope that he will at least be able to hold the old ship steady until other measures take the place of the present policies.

Although the Minister of Finance did not say so, much of the problem he now faces is of his own making. He pleads for understanding by and co-operation from the opposition. I only wish he had listened to some of the advice given him three or four years ago from this corner of the house. Over and over again ever since the Liberal government assumed the responsibilities of office the Social Credit party through its spokesmen has warned both the present Minister of Finance and his predecessor that unless the inevitable and relentless increase in government expenditure was kept at a level compatible with the increase in the level of productivity of the nation we were headed for trouble. We

[Mr. Laprise.]

warned, to no avail, that the constant increase in government debt through deficit financing would lead to catastrophe. We warned about as well the fantastic increases in government growth and welfare spending. Bland smiles and sympathetic cynicism were about the best that we received. That was the only response.

● (5:00 p.m.)

We were not the only ones who warned the minister of the inevitable results of his policies. So did the Economic Council of Canada. In each of the council's four annual reports there have been repeated warnings about the unwarranted acceleration of government expenditures which continued to outpace the growth of government revenues. In fact, the economic council urged at least three years ago, and each year since, a decrease in government spending, an increase in productivity, a reduction in the large scale borrowings from the United States and the establishment of priorities in government spending. These warnings fell on deaf ears until the threat became obvious.

No better example of the paradoxical philosophy of the Minister of Finance and the government's financial policies can be found than in his attitude toward the implementation of medicare. In fact, he said only last January that medicare was not sound financially but that it was necessary politically. What kind of logic is this? The government is now forcing medicare on Canada and a minority of provinces—two, as a matter of fact, which for reasons best known to themselves are accepting the federal medicare proposition—moving the nation insidiously toward its implementation even though the consensus of the people of Canada is against it. This is something to think about. Yes, the government says, it will only require an increase of \$50 million or \$60 million this year, we will only have to raise taxes that much and the provinces will only have to increase their taxes correspondingly because only two provinces are going to implement it. How long are the rest of the people of Canada, who are going to pay through taxes the federal government's share of the cost of medicare for two provinces, going to pay money from which they will receive no benefit at all? I suggest it will not be very long. We are faced right now, because of the implementation of medicare on the first of July of this year, within the next several years with the prospect of an increase of \$1 billion in taxes, half federal and half provin-