

The Budget—Mr. Lambert

To be fair I must say that all of the responsibility cannot be loaded on the shoulders of this minister and the government. As he quite rightly indicated, the municipalities and provinces combined spend far more than does the federal government. I know the dilemma which the minister faces with regard to budgetary control because only about 35 per cent of federal government expenditures come within budgetary control.

The dominion-provincial agreements cover tax transfers. These are increasing. They are deemed to be part of the monetary requirements of the federal government. Other statutory expenditures contain escalation clauses. Many social welfare payments are fixed by statute, and the obligation to meet them is beyond the control of the Minister of Finance. But having said that, I still believe that the Minister of Finance has a primary role to play in controlling his colleagues and setting the example for the rest of the country.

In receiving this second slice of the 1967 budget without any budgetary proposals we are in a position analogous to that of 1966 except that in 1966 we had a mini-budget in December. I put it to you, Mr. Speaker, that it is now almost impossible to refer back to the budgetary proposals of the budget we are supposed to be discussing. The situation has changed drastically since the budget was introduced.

The budgetary proposals of last June were almost stand-pat. I was reminded of a cartoon showing a cat treading upon eggs. The minister was walking very delicately, evidently afraid to upset what he considered to be a position of uneasy equilibrium. Today he is attempting to tread even more lightly on the self-same delicate eggs.

I wish to indicate that I am not going to make any reference to the information on the Kennedy round negotiations which the minister has given to us. That can be more adequately dealt with by my colleagues. Instead I want to talk primarily about the financial difficulties in which the country finds itself.

First I want to say I will not emulate so many members of the Treasury Board who, when in opposition in 1961 and 1962, went around preaching doom and gloom. I remember the rather notorious and damaging speech made at that time by the Minister of Trade and Commerce (Mr. Winters) in Halifax, in which he likened the financial position of Canada to that of a sinking ship. We know the results which such talk has on the economy and financial strength of the country, and

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to indulge in such talk now would be a great disservice to our country's financial position.

I do not say that our financial position is beyond repair, but it certainly could worsen. We must consider the unbridled surge forward in the cost of living. A budgetary deficit of \$750 million is nothing to be sneezed at, but all we get from the minister is a pious hope that the deficit will work out at something below \$750 million. Will it be \$650 million? I am afraid I do not share the minister's rather sanguine hopes about a limitation on the budgetary deficit of only \$750 million.

Mr. Sharp: May I ask the hon. member a question? Has he overlooked what I said, that our aim was to balance the budget in national accounts terms?

Mr. Lambert: Frankly that is no explanation. You can talk about national accounts terms and other financial phrases to the public, but it is meaningless. The public wants to know who is responsible. If the accounts had been based on that basis of national accounts in earlier years the figures would not have been the same as those used by members of the present government when they were casting aspersions on the financial record of performance by the previous government. Let us not have any illusions about that. It really is a discussion about apples when really oranges are under consideration.

● (4:20 p.m.)

Let us look at some of the problems facing the country at the present time. There has been a diminution in the rate of capital investment. In my opinion this is the most important factor which we must consider. We would be able to advance the economy and assume these social welfare burdens, and many people believe these programs are desirable and absolutely essential, if the economy of this country was in a healthy state. I do not care how many pension programs, medicare or health schemes or other similar programs we can devise; if the Canadian economy is not able to support them in comfort, permitting growth both in population and economic development, they must be deferred or cut back. There is no sense in piling these burdens onto a sick economy. The economy simply cannot carry them. We are only deluding the people by attempting to do so.

It would have been good to hear the minister give us some indication this afternoon of