

undoubtedly he had to hold privately, but which was negotiable. Now the matter has been jelled publicly.

I agree in some respects with the hon. member for York South about these peregrinations and pilgrimages to Washington as undertaken by ministers of finance in the past. We had Walter Gordon going down, cap in hand, on one occasion in 1963 because previously in his budget speech he had put both his feet in his mouth at the same time and kept them there.

Mr. Jamieson: That's a heck of a way to run to Washington.

Mr. Lambert (Edmonton West): Walter Gordon, in both his thinking and his actions was a contortionist. He would have Canada and the economy perform the most amazing backflips. On another occasion the man who presently performs the task of Acting Prime Minister, at a time when he was Minister of Finance, also undertook a pilgrimage to Washington. It was at a time when the Canadian dollar was in very bad shape. I am afraid the Minister of Finance has not learned the proper lesson. The Minister of Finance stood up in this House and said he would guarantee that we would have no budgetary deficit, but within a very few months we had a deficit of \$875 million.

Again tonight the Minister of Finance made some very flatfooted assertions about the economy behaving so well. We heard much the same thing from him at the time of the presentation of his budget in June, based upon the deviation of one month going one way; but the economy, which had been going the other way in a steady pattern, soon reasserted itself. Frankly, Mr. Speaker, I have no faith in the forecasts of the Minister of Finance based upon the very narrow figures he gave us tonight. They just will not stand up. The minister has established a reputation for very poor forecasts.

To return to a discussion of this bill, I had hoped that we would have had the regulations disclosed to us this afternoon. We want to see what is going to happen inside the International Monetary Fund. Neither of the two ministers who have participated in this debate spoke about the job incentive credits that are to come forward in the United States and which, I venture to say, may have a greater effect than the 10 per cent surcharge in changing the shape of the American economy and encouraging a much higher degree of economic nationalism.

The President of the United States has said that the surcharge is a temporary measure. Certainly we know that it affects only a limited number of commodities as far as Canada is concerned. If the Americans really want to have something effective to improve their economy across the board, it will be found in actions such as the proposed job encouragement credits, tax cuts which apply to everybody and the elimination of the excise tax on automobiles.

Why do we want to go crying to Washington to show that we are more particularly concerned about the 10 per cent surcharge? Is it that we want to bring on to the mat the auto agreement in the exchange? Do we want to

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bring that up? I would think not. There are many other things, too. Going to Washington has always meant that you get one hand untied, as under the Interest Equalization Act: we untied one hand there, but when he came back from Washington the then Minister of Finance found that he was tied by both feet because of the limitation on the size of our foreign exchange reserves. That put us through two or three years of absolute hell in this country, with the result that we could not fight inflation because of the artificial ceiling that had been imposed upon our international reserves. These are the complications for which we have to watch.

• (9:10 p.m.)

I say the discussions on an informal basis could have been conducted through officials. Then, when the thing was set and you had a case you could negotiate. But at the moment I would say that the two ministers were precipitate in moving forward so early in the piece. I also want to know why, and what steps are being taken in order to balance off any possible price for the elimination of the 10 per cent surcharge. Personally—I am speaking purely personally here—I cannot see how the United States could exempt Canada, bearing in mind Japan and several of the other major partners of the United States.

Mr. Pepin: You would have stayed home, then.

Mr. Lambert (Edmonton West): At that time I certainly would not have gone down there and made a spectacle of myself, which is precisely what the two ministers did.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The Minister of Finance knows very well that is wrong. The Leader of the Opposition has said that if the Prime Minister wants to go down to talk to President Nixon, he is prepared to go with him.

Some hon. Members: Oh, oh!

Mr. Jamieson: He wants to be there when he makes a spectacle of himself. Stay in the mountains, you are in a little trouble.

Mr. Lambert (Edmonton West): Hardly any trouble. There is a vast difference between the Prime Minister (Mr. Trudeau) going to see the President of the United States—

Mr. Jerome: What is his name?

Mr. Lambert (Edmonton West): —than two ministers. Are we sure? I would like to hear the hon. member for Sault Ste. Marie make his contribution—

Mr. Jerome: Sault Ste. Marie? That is two of them.

Mr. Lambert (Edmonton West): He may come from Sudbury. Anyway, whoever he may be. The Prime Minister, when talking of another government member, used another phrase which I am not going to use. What I am