

Supply—Finance

was said by the New Democratic party on the subject. It seems to me that there is a good deal of agreement on all sides of the house with the general approach to this subject as I have outlined it.

Mr. Churchill: What about the Créditistes?

Mr. Sharp: I hope that we shall find in this debate and in the measures to be taken the groundwork for an agreed set of policies that will enable us to continue our prosperity without inflation.

May I conclude by emphasizing that the present international circumstances make it urgent, and I cannot emphasize this too much, that we deal as promptly as possible with the measures that are now necessary.

Mr. Lambert: Mr. Chairman, the Minister of Finance finished his peroration with this sentence:

I hope that we shall find in this debate and in the measures to be taken the groundwork for an agreed set of policies that will enable us to continue our prosperity without inflation.

• (3:40 p.m.)

The fact is that we have had prosperity with inflation. This government, in spite of many warnings, has continued its action heedless of inflation. We now find these latter day converts concerned about problems of inflation. The statement made by the minister is fraught with paradoxes. We find reference to the United States, the expanding economy, the pressure on prices and other factors. Canada is not fighting the Viet Nam war. We do not have shortages of commodities, goods and other things because of a war effort. I can understand how in the United States tax measures may be orthodox. They are attempting to siphon off demand, but who has suggested that the demand in Canada has ever been excessive? I have never heard of a shortage of goods or a shortage of labour, at least in most places; yet we are trying to deal with the problem of inflation, which this government has become aware of belatedly, by seeking to emulate our neighbour to the south.

I was interested in the nature of the reply the Minister of Finance made yesterday to a question I asked, as recorded on page 7272 of *Hansard*:

—in light of the rather disturbing reports yesterday and this morning concerning our currency, is the Minister of Finance in a position to advise the house what steps Canada may be taking to protect the level of the Canadian dollar?

[Mr. Sharp.]

In part the minister said:

—I hope parliament will support this government in its endeavour to raise the necessary revenues which are part of the pattern to give confidence to foreigners and Canadians that the Canadian dollar is worth its present parity position.

Let us look at those words. I detect, not only in that reply but elsewhere, an implication that the present crisis is the result of parliament taking irresponsible action in rejecting Bill C-193. Let me immediately reject that suggestion. It is with a strong feeling of arrogance that the government would attempt to put forward such an argument. The opposition was acting within its responsibility. It never liked the proposal announced in the mini-budget toward the end of last November when there was no apparent pressure on the Canadian dollar. The pressure on the Canadian dollar, to the extent it has now developed, developed since January as a consequence of the devaluation of the pound sterling and subsequent pressure on the United States dollar. Since the Canadian dollar is the second dollar currency in the world we were bound to be on the front line of any assault on the United States dollar. It is quite wrong to suggest that parliament contributed to the present pressure crisis.

It was the view of the opposition that the proposed tax measure was wrong, that it was inflationary and unnecessary at the time. The opposition had the right to reject it just as it has the right to reject the proposals to be announced later this day if it considers them to be improper. The opposition will consider the proposals with great care. The government does not have a monopoly on concern for the value of the Canadian dollar. This concern is shared equally by the opposition. We will consider the government's proposals with care and there certainly will not be any conscious effort to impede the implementation of any measure we consider to be reasonable and justifiable.

Having said that, let me hasten to add that the statement made by the Minister of Finance yesterday implied that by increasing government revenues we will restore confidence. Surely this totally ignores any cut-back in governmental expenditures. It is clear from the economic sermon delivered by the minister this afternoon that he feels he must tax to raise revenue and thus restore confidence in the Canadian dollar. Surely that is wrong.

The minister has clearly admitted and demonstrated the degree of inflation which