

*Supply—Finance*

I am speaking, of course, of the oil industry of Alberta which has depended a great deal upon its ability to attract United States funds to this country. I do not know the current figure for investment in the oil industry but I would venture to say it is many millions of dollars. Many areas in Alberta, the Northwest Territories and the Arctic region are now being looked at by the oil industry, and the development of these areas will, of course, require influx of United States capital. One of these developments is the Pan-Arctic development in which the government is participating with several United States and Canadian oil companies. I take the personal view that we will never have too much in the way of oil reserves. We must encourage the oil industry to develop and find new reserves by every means at our disposal. The announcement that the United States government is not going to place general restrictions on the export of capital to Canada gives encouragement to the oil developers in my part of the country.

I must say that when the Carter report was tabled last year the oil industry was very much opposed to the concepts put forward in it. Many companies at that time were reluctant to go ahead with development plans for fear the recommendations in the Carter report would be put into effect. The statement made by the Minister of Finance in his December budget that the Carter recommendations would be put in limbo for an indefinite period of time was encouraging news to them.

When the minister opened his remarks on the supplementary estimates he stated, as recorded on page 7332 of *Hansard*:

The immediate and urgent task facing the government and parliament is to take action which will buttress confidence in the Canadian economy and the Canadian dollar in the midst of mounting international financial uncertainties.

I feel that this is one of the difficulties the Minister of Finance has to face. He has not been prepared to take a position on any matter in connection with finance until the situation is urgent and has to be solved immediately. He has been applying his remedies to situations after they occur instead of acting in such a way that government planning would influence the future developments of the country. In the next paragraph of the minister's speech on page 7332 of *Hansard* I find these words:

There is little we can do in this parliament to affect the underlying forces at work in international markets. We do have responsibility to ensure that

we do not contribute, either by our action or by inaction, to the weakening of our own position and the worsening of the world financial situation.

These remarks reinforce the argument I have just made that the Minister of Finance and the government have been closing the door after the bull has escaped. I say "bull" advisedly because I think we are going to hear more of the bull later today. It is true that it is not possible for the minister to influence the present international financial situation by anything we may do in this house today. Remedies do not have an immediate effect in the international monetary field. The international monetary system responds to conditions that build up day after day until a point is reached where they are intolerable. At that time adjustments are automatically made in the international financial market.

It is also true, and I think it is unfortunate for the country, that the Minister of Finance is an arrogant person. He is a person who, as I indicated before, is not prepared to take advice from this side of the house. In fact, he is not prepared to take advice from any quarter, regardless of the responsibility, experience or capability of the person who may give the advice. We know that in many instances the minister has been advised by the governor of the Bank of Canada, by the Economic Council of Canada and by various recognized authorities on finance and monetary affairs. The minister has received advice from these people but has chosen to ignore it.

● (5:30 p.m.)

To substantiate the statement I have just made I wish to place on the record a few of the warnings expressed in the recent past, forecasting the position we are getting into in this country. I think it is obvious to all that for at least the past two years this country has been spending more than it has been earning. Our rate of productivity has gone up very slowly but the rate of government spending has gone up precipitously. As a matter of fact, the rate of government spending in Canada has increased more than in the United States even though that country is involved in an unfortunate war in Viet Nam.

An editorial headed, "You Can't Get A Quart Out Of A Pint Jug", in the *Ottawa Journal* of March 15, 1967, quoted Mr. Rasminsky, governor of the Bank of Canada, as saying:

Diverging movements in costs and productivity such as we have been seeing recently cannot go on for long without seriously affecting the Canadian economy.