

The Budget—Hon. M. Lambert

these projects are viable. I believe some of these industries will die on the vine as soon as the effect of the capital which was injected into them has worn off. I say this because in my view these enterprises are not deeply rooted; they are subject to much uncertainty, and it may be that sums of \$10,000, \$15,000 or \$25,000 here and there have simply been poured down the drain. In some cases political I.O.U.s may be attached to the grants which have been made. In any event, I believe some of them to be non-productive. Anyway, the Minister of Regional Economic Expansion is reported to have said there was no way in which he could successfully pump money into various areas in order to relieve unemployment while the national economy as a whole was sagging, and that some effort must therefore be made by the government to increase the tempo of the economy as a whole.

What has happened? We are faced with a strange paradox inasmuch as the minister has continued a surtax which had been imposed as a deflationary measure, a strong deflationary measure, and, I would say, one which had been wrongfully imposed because it was the wrong way to fight the inflation with which we were faced. As a matter of fact, I would say that the surtax was even more inflationary, because it figures largely in the calculation of take home pay and in the wage demands made by organized labour, certainly by anyone considering the level of his earnings or take home pay. What has happened has been that the 3 per cent surtax on income tax was passed on as quickly as possible into the pricing system.

● (3:30 p.m.)

In any event, this deflationary fiscal instrument is to be found in a budgetary document that emphasizes expansion from the word go to the very last line. I would ask what place it has in such a document. Is it because we are engaging in a two-sided fight, with the left hand continuing to fight inflation with a surtax, and the right hand trying to prime the pump in order to get the economy going again? What sort of exercise is the Minister of Finance asking this Parliament and the country to undertake as a result of these proposals? The minister now has us engaging in a kind of split personality situation.

What does this budget propose? Let us look at some of its highlights. The unemployment insurance benefits are to be increased immediately by 10 per cent. I commented on that the other night. A budget was not required for this, Mr. Speaker, because the supplementary estimate providing for this was tabled last Friday. How much will this measure produce to enable us to fight high winter unemployment? It is estimated that over the winter and up to April 1, \$31 million will be available, with the balance of \$23 million being found some time during the coming year, making an over-all total of \$54 million. I suggest that it is during this winter that we must deal with our massive unemployment. I put it to you, Mr. Speaker, that this instrument is at best a very poor one, a mere half measure.

[Mr. Lambert (Edmonton West).]

Then, there are to be loans totalling \$150 million to be made available to the provinces through a fund to finance job-creating projects next year. This proposal was greeted with great fanfare by some people. But may I point out that these are loans, and loans have to be repaid. We do not know the terms of these loans. Any province that wants to participate in this program must consider whether, first of all, it needs to create jobs; secondly, what its share of the financing is going to be; and then how the loan is to be repaid. Unless the provinces undertake this exercise, and particularly the consideration of repayment of the loan, they are merely following the course of a spendthrift going into bankruptcy.

I am sure that none of the provincial administrations would want to become involved in this sort of exercise. How much of this \$150 million is going to help solve unemployment this winter? Perhaps, some \$40 million of it will. It will also be interesting to know the conditions under which the provinces will qualify for such loans. Are they, as hinted in the budget speech, to be loans of the type granted under the old winter works program, where people who would not normally have been working on any project are to be employed? If this is not the case, then those who have will have more. In order to deal with the unemployment problem we must put on the payroll men who have not been employed or who are likely to lose their jobs. This is the only way to fight unemployment.

The, \$40 million is to be shared by the provinces under a complicated formula. For example, for the province of Alberta \$4 million is to be made available, and 40 per cent of this, namely \$1.6 million, is earmarked for between now and March 31 next year. I do not know that this money is going to be a great deal of help. After all, what municipalities are going to go through the necessary administrative procedures in order to get their programs before the provincial government? It may be that the provincial government itself has a program on the shelf that it would not have to spend weeks designing and planning for in order to put men to work. There will be a time lag in this proposal, so in this respect it fails to deal with the high unemployment rate this winter.

A further \$23 million is going to be allocated to federal departments and agencies to make capital improvements in areas of highest unemployment. This money is to be spent before March 31. So far there is no sign of any supplementary estimate in this regard, so all it means is that there is going to be a redirection of government spending programs already provided for into certain regions of high unemployment. This is not putting another \$23 million into the system; there is no expansion here, merely a redirection.

The sum of \$20 million is to be allocated to the new Montreal international airport, \$5 million of which is to be spent before the end of the fiscal year 1970-71. I should like to know whether the plans for this word are now ready, or is this money simply going to pay for that part of the program that was already underway? In any event, the sum of \$5 million has been earmarked. Central