

*The Budget—Mr. Regier*

has been discussed here from time to time and which has been developed in the United States under the Kennedy administration, namely a price-wage board. I also feel that the productivity council is not the entire answer to some of our needs at the present time with respect to imaginative programs to get the economy on its feet. I think we should have an economic research agency that would carry out greater co-ordination among the departments of government which in my opinion are inadequately co-ordinated today.

The minister will be more familiar than I am, of course, with certain new developments in connection with an international monetary organization going beyond what we have today. When the minister speaks again, as he usually does, I should like to hear something about Canada's attitude toward the plans for an Atlantic monetary organization. At least three plans have been presented to most countries in the western world, the last one by Professor Tiffin. I should like to know whether Canada has been approached with regard to this new idea, and to what extent it might be an advance while still not interfering with or superseding the international monetary fund.

I should have liked to deal with several other subjects, but in view of the fact that the exchange fund problem had in my opinion been inadequately explained I thought I would devote as much time to that subject as I have devoted today. We have a cash deficit of \$1 billion which we know about, but heaven knows what more is involved. When one reads the fine print in the minister's statement with relation to foreign exchange control and when one reads that the minister himself last year had great apprehensions about this matter and referred to the possibility of gigantic gambles with the taxpayers' money, I think it is very surprising that in his long speech, in which he generated a great amount of wind on so many matters that did not seem to have too much significance, the minister could only spare one little breath with respect to possible financial liability in connection with the foreign exchange control problem and the gamble with the taxpayers' money that might be involved.

Trade is a matter to which I should like to refer, but I will not take the time to do so now. I know that others on this side of the house will deal with it. All I want to say on that subject at this time is that a week ago, prior to the budget, the minister promised an expansionist budget, but when one reads the details and the fine print one finds that in the field of trade the budget is restrictionist and not expansionist.

Finally I should like to move, seconded by the hon. member for Bonavista-Twillingate:

That all the words after the word "that" be deleted and the following substituted therefor:

"this house is of the opinion that the financial proposals of the government, as set forth in the budget presented to this house by the Minister of Finance and contrary to the advance publicity, are restrictive of trade and thoroughly inadequate to expand the production and jobs needed to ensure the growth of the economy, despite the burdens imposed by a fifth consecutive deficit of a record size;

And the house believes that for this reason, and because of the general mismanagement of the country's financial affairs, the government is not entitled to the confidence of the elected representatives of the people."

**Mr. Erhart Regier (Burnaby-Coquitlam):** Mr. Speaker, in the baby budget brought down last December we at long last had an admission on the part of the government of its failure to meet the national needs. In December the minister told us of his error in forecasting and informed us that he was going to have a whopping deficit. In the baby budget we also noticed a recognition on the part of the government that action was indeed needed. The economy had not received the big push forward that we had looked for and that was so badly needed. However, in the baby budget the government at least did give a little nudge to economic activity in our nation.

Now it is admitted that the failure of the government to take the radical measures that were necessary has cost us half a year of needless stagnation in our national economy. In addition it has imposed needless hardship on the millions of Canadians who are at exceptionally low levels of income, and especially it has caused needless hardship to the over 700,000 Canadians who were unemployed for so much of the past year, and many of whom are still unemployed. Then, too, Canadians had been led to believe that the government was at long last in favour of expansion; that it was even going to take measures to loosen up the money supply and drastically reduce interest rates. We also expected some large scale measures in the budget specifically designed to stimulate and enhance economic activity.

What did we get instead? There is not much in the budget, Mr. Speaker, about which I can complain. There is not much that is particularly bad. There is one thing that is bad about it, and that is what is not in the budget itself. The budget is lacking in any major measures designed to remove our economic ills. As a result of what is not in this budget, I can only come to the conclusion that the government admits it is unwilling or unable to take the measures that are necessary, and that the basic flaw is deeply imbedded in our economic system, our