

The Budget—Mr. Lambert

with regard to restriction of activity and stretch-out of some building programs. Frankly, the stretch-out is peanuts, it is meaningless. However, the provincial administrations have taken the lid off their activities. In my own province of Alberta this year's budget is up 38 per cent over 1964—\$682 million for 1,400,000 people. If there should be a policy of restraint—and I agree there should be—then this must be applied all the way around, because if the \$1 that the Minister of Finance of Canada attempts to save—and does—is spent twice and three times over by a provincial treasury, or provincial administration or through it by a municipality, what does it do? The effect is the same on the inflationary pressure, and we are going to see a continuation of the increase in prices.

The minister said the federal government is going to cut back some \$34 million of public works. Within the last two weeks a series of wage contracts have been signed in Montreal which will more than wipe out everything the minister has attempted to do. Already we can hear the rumblings in the Ottawa construction trade concerning what it will mean to the price of a house or building in late 1967, 1968 and 1969; it is going to be fantastic. Because this was started in the particular area of Montreal it will spread; it is now spreading to this area and soon will have a relative effect across the country.

Let us not hide our heads in some sort of a cloud of self-delusion that all is good and proper in the best of all possible worlds. I would have liked to see something in the Budget with regard to removing the ceiling on the gift tax so that it would be meaningful to institutions of higher learning—the universities. I know that perhaps the minister would like to do this. We receive so many requests on behalf of medical research. Our universities are crying out and are woefully short of plant and teachers for medical training and medical research, research in this country by our own people.

What is the good of training hundreds and hundreds of well educated medical graduates and then have them go to do their post-graduate work in the United States, where they remain in too great numbers. We look at the federal contribution to medical research; it is picayune. Perhaps we have seen the glimmer of something; I note in the report of the president of the University of British Columbia, which appeared the other day, that

[Mr. Lambert.]

the federal government has made an additional \$3 million grant toward the construction of a teaching hospital on the campus to be administered by the University of British Columbia—an extra \$3 million for the purpose of teaching, and I am told this is the first time. I hope this is repeated time and time again. However, I should like to see the private sector of Canada make similar gestures toward research, not only medical, but also scientific research. We have the people, but we must be able to pay them.

Mr. Deachman: May I ask the hon. member a question?

Mr. Lambert: I have only a few minutes and I would like to continue.

I should like to see this encouraged not only by the removal of the gift tax with these specific purposes in mind, but also by some meaningful exemption in relation to the estate tax with regard to particular matters of this kind. How can we encourage people to accumulate funds for these particular purposes, when somehow or other the accumulation of an estate has a bad name in Canada.

Mr. Deachman: Who gave the \$4 million to it.

Mr. Lambert: I know the gifts that were made by the Woodward family and others.

Mr. Deachman: I will not confuse you with the facts. Go on with your story.

Mr. Lambert: I would like to be able to encourage the minister in this particular sector so that we can get this encouragement for our individuals, both with regard to the estate tax and the gift tax. This is a suggestion I would make. The last point I should like to refer to in these few remarks I have today is on the question of inflation. The other day when the minister was talking about an extension of some relief under the S.E.C. regulations in the United States I had asked what had been the *quid pro quo* given by Canada and I was told there was none. I wanted to be satisfied that in so doing the minister was not having a halter slipped around his neck, as was done in the case of his predecessor in 1963, in order to gain some short term advantage, and an illusionary advantage, under the equalization tax act of the United States.

Mr. Sharp: Access to the United States market is not very illusory.