

An hon. Member: What would you do?

Mr. Lambert (Edmonton West): What would you do? It is the government that has caused this.

Some hon. Members: Hear, hear!

● (9:00 p.m.)

Mr. Lambert (Edmonton West): It is rather ironic that while the government and the Prices and Incomes Commission were holding their conference a few weeks ago, a number of trust companies increased the interest rate on their deposit certificates. Was that a downturn for interest rates? Not at all. As a matter of fact, that was an indication to the government that the public is not yet satisfied that there has been control of inflation. So now we are faced with the highest peacetime taxes merely to meet expenditures—not to reduce the national debt, not to fight inflation, but merely to meet expenditures.

This year expenditures go up some \$900 million. Last year they went up \$900 million. That is not controlling expenditures. If there were to be control, if there were to be a real fight against inflation by fiscal measures, we would be taxing to defeat inflation, not merely to catch up with the bills that are coming in to the government. In addition to that the minister proposes certain consumer credit controls on certain types of credit transactions, based on amount and the length of repayment. But what are we going to get, Mr. Speaker? The main effect of these consumer credit controls is going to be on durables, automobiles, furniture, white hardware, refrigerators, freezers, washing machines, dryers, ironers, television sets, motorized ski vehicles, boats and trailers, whether they are of the camping or living accommodation type. And where are most of these things made, Mr. Speaker? They are made in Ontario and in Quebec. All of this is designed to reduce consumption of them. The only thing that is at the end of that road is unemployment.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That is the only thing that is at the end of that road in those industries, depending on the effectiveness of these controls. We know that last year Ontario felt the attention of the Minister of Finance in his June Budget. It was one of the areas selected for cooling off certain types of construction. That is now being continued. But look at Quebec. Last time we were told that there was too much unemployment in Quebec, and that this was not the area in

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which to impose controls. As a matter of fact, it was indicated that the minister's colleague, through regional expansion and development, would pay particular attention to encouraging development in the province of Quebec. If we look at the amount of loans, and grants and so forth that we made under this program, Quebec is certainly getting the lion's share of that program.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): That is so. The problem is there.

An hon. Member: Per capita?

Mr. Lambert (Edmonton West): Of course, by far per capita. Now look at what the effect will be of these consumer credit controls. What is manufactured in Quebec in great quantities? Furniture, white hardware—

An hon. Member: Liberals.

Mr. Lambert (Edmonton West):—motorized ski vehicles, boats and trailers. Mr. Speaker, I would be prepared to wager that the effect of the consumer credit controls, in so far as they will be effective in reducing consumption in these lines I have mentioned, will be worse in the province of Quebec than in Ontario. So we have the paradox of one minister working to develop the province and the other minister clamping down on it.

The Minister of Finance had an opportunity to assist the province of Quebec and certain parts of Eastern Ontario. There was a recommendation with regard to tariffs on the materials used by textile manufacturers in this country, to allow them a reduction in tariffs in order that they might compete more effectively with imported goods. And what was done? Nothing.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): This would have cost the minister relatively little. After all, last June he supported all of the tariff cuts negotiated under the Kennedy Agreement.

Mr. Benson: And you are against it?

Mr. Lambert (Edmonton West): No, no. This is what the minister did in order to assist in the fight against inflation, but when we are dealing with unemployment in particular provinces, in eastern Ontario and in Quebec, particularly so far as textiles are concerned, here was a golden opportunity to do something and nothing was done.