

the ministers of the federal government and their officials made power sharing deals with the representatives of the provinces. It was as though they were carving a pie, namely, the Canadian body corporate. This pie was being carved by the representatives of the federal and provincial governments, each struggling for more power. These memoirs give a great insight into what has evolved as a result of negotiations between the federal and provincial governments in the fields of finance and health, as well as other areas in which there is joint jurisdiction. It is not a pretty picture.

I am struck by the complacency with which these decisions are accepted by members of this House. It represents an abdication of the right and duty of members to represent the people in their own provinces. They are not in the picture at all. Some sort of deal will be worked out. There will be preliminary negotiations with regard to the renewal of the federal-provincial agreements and fiscal arrangements which have to be worked out next year. Possibly some deal will be worked out with regard to changes that will be made in the income tax field. Yet what will hon. members have to say about an income tax system worked out and possibly agreed upon by others. What will the members of this House have to say about this situation? I am sure many hon. members share the feeling of frustration that I have. I am using this opportunity to put this, their own problem, before hon. members.

• (3:20 p.m.)

It amounts to this: the government of this country boils down to fewer than 40 men who are the wheelers and dealers of the interests of all Canadians. It is as though the federal government says "I want this part for my empire" while each of the provinces says "I want equal dominion over the same area." Whom are they quarrelling over? What is going to be gained? I know what is going to be lost—it is the poor hide of the Canadian taxpayer which comes out of these deals the worst for wear. So this afternoon, in commenting upon the budget proposed last Thursday night, I am reduced to the position of a man who is in a broadcasting booth in a radio station and talks to a lot of people without knowing what effect his words are having on them.

This budget, and the whole procedure surrounding it, is most important. It lies at the core of government. It represents the ways and means the government must adopt to raise the money to make possible the supply which it will ask this House to grant. We are dealing now with the other half of the balance of the government's whole administrative spending program.

I wish the government would adopt a consistent policy with regard to the presentation of budgets. There have been fluctuations from one point of view to another, depending on circumstances. I recall the minister's predecessor, now the Secretary of State for External Affairs (Mr. Sharp), telling us that having regard to the complexity of a modern economy, and in order to exert a better degree of control, he intended to propose that there should be two budgets in a year. Presented with

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this prospect, however, the present Minister of Finance (Mr. Benson) said: Oh, no, there is no need. Last March, when no tax changes were proposed and it was quite obvious that the minister was dropping the surtax on income tax, he acquiesced in this view and was quite prepared to accept it at that time; unless there was another budget there would be no continuation of the surtax; it did not bother him one bit. As a matter of fact it was not intended that there would be a further budget, because any such move would give rise to the possibility of tax changes which were the subject matter of the white paper on taxation, a new system which was not then to be ready.

So, why have we been presented with a budget at this time? After all, when Parliament reconvened in October it was not intended that there should be a budget this fall. Indeed, I am sure there was no intention of presenting a budget three weeks ago. Has it been brought down because there is now an indication that the economy is not going well? Is it because the October figures indicate that the budget deficit which had been forecast was likely to be considerably greater than was expected last summer, particularly in June, as a result of the minister's undertaking that more money would be passed on to the provinces? I admit that allowance must be made for the acceleration of payments to the provinces, but this is a once-in-a-lifetime event, cramping up the procedure by one month; it does not represent any continuing betterment of provincial positions, since the provinces will only get a windfall payment this year representing one month's payment of tax. Nevertheless, there was need to save some \$250 million. After all, the minister will be obliged to go to the market for a lot of money this year and next year. If he is trying to save \$250 million, a continuation of the surtax becomes necessary. The procedure is simple. The tax forms are there; it is the simplest way. This is reason number one for presenting us with a further budget.

It is likely, too, that there was a belated attempt by the government to fight unemployment. Notwithstanding statements made inside this House and outside it by leaders of political parties in opposition to the government, by the head of the Canadian Congress of Labour and others, that unemployment will be serious this winter, much more serious than the government appears to believe, nothing was done until—and this may be the ironic consequence of events in Quebec—a number of complacent cabinet ministers suddenly realized that unemployment was likely to be very serious and that some token effort, at least, would have to be made to show that the government was trying to deal with the situation. In addition, of course, it was realized that the government was running increasingly counter to the advice of the Economic Council of Canada.

There is possibly a third reason, Mr. Speaker. During the middle of the year and in the early fall, money was poured very generously into some regions of the country by the Minister of Regional Economic Expansion (Mr. Marchand). The House was treated to a succession of bulletins, almost daily, as massive injections of money were announced. Incidentally, I am not satisfied that all