

The Budget—Mr. Lambert

I would say there are two reasons for this situation. First, in the early part of 1966 there was an effort by corporations to borrow themselves into a position of liquidity, as I have indicated. In addition, there is less requirement for money this year by corporations because there is a decline in capital investment. The incidence of higher taxes, higher costs and lower profits will always discourage capital investment. Mr. Meyer continues:

Both trends—the rise in government borrowing and the decline in corporate borrowing—have persisted.

I am sure that if the figures for the second quarter of 1967 were available to us we would find there has been a continuation of those trends. Then Mr. Meyer says:

Corporations were expected to withdraw from the market following increases in capital investment averaging 16 per cent a year over the past three years. There was room for more government borrowing. This condition, however, can't be expected to last indefinitely. Interest rates must come down and corporate borrowers attracted back to the market before any significant new expansion can be set in motion.

Mr. Meyer then says that the possibility of any reduction in government demand for funds over the next year, possibly two, is remote. Interest rates in this period will be about the same. Mr. Speaker, I am worried about the continuing dampening down of corporate investment in capital projects, which will continue. There are some indicators right now which show that I am not far off the mark in making this statement, because we hear reports that the amount of work in architects' and consulting engineers' offices is very small.

The Acting Speaker (Mr. Tardif): Order, please. I regret to interrupt the hon. gentleman but the time allotted to him has expired.

Some hon. Members: Go ahead.

Mr. Lambert: On a point of order, Mr. Speaker, I believe that at this time members are entitled to 40 minutes in which to speak. If I remember the time rightly, I rose at about ten minutes after four. I believe, Mr. Speaker, you will find that this question is dealt with in standing order 31 (1).

The Acting Speaker (Mr. Tardif): My decision was based on standing order 58 (7) which reads as follows:

No member, except the Minister of Finance, the member speaking on behalf of the opposition, the Prime Minister and the Leader of the Opposition, shall speak for more than 30 minutes at a time in the budget debate; provided that 40 minutes shall be allowed to the mover of a subamendment.

27053—179

• (4:40 p.m.)

Is there unanimous consent to allow the hon. member to continue?

Some hon. Members: Agreed.

Mr. Lambert: I apologize to Your Honour. I am grateful to the house for giving me this time but I must say that the error arose as a result of a consultation which I had with Mr. Speaker last night. I must conclude that the present Speaker and the former Speaker were jointly in error.

I should like to summarize what I have said previously and to bring my remarks to a conclusion. I feel that the prime purpose of this budget and of the activities of all governments must first of all be aimed at an increase of productivity. By increase of productivity we mean a better return for the dollars spent. This means, as the minister indicated, an exercise in restraint in wage demands and equally in the pursuit of profits. You cannot ask one sector of the economy to limit itself and not the other. Unless all Canadians exercise this restraint we will be committing economic suicide.

This is particularly true at a time when we are so vulnerable during the coming into force of the tariff changes resulting from the Kennedy round of negotiations. The government must implement cut-backs. We can only produce so many goods and services. The pie is no bigger than Canadians are willing and able to make it. We must be prepared to increase our productivity and by that I mean net productivity in the constant dollars, not in the 5 or 10 per cent annually inflated dollar. There must be cut-backs by governments at all levels and those cut-backs should be arrived at by the establishment of priorities tending to encourage productivity, in education, in the training of personnel and in those facilities tending to increase productivity. I will have something to say about some of the other activities in this country and some of the discussions which have taken place which are tantamount to the apocryphal story of theologians going through the exercise of determining how many angels could dance on the head of a pin. It seems to me these discussions are useless in facing and solving the problems that are before us today.

As I said earlier, we must concentrate on the health of the body economic, and unless we turn our primary attention to that all else will fall by the wayside. What purpose is there in working to construct a brand new constitution for a country that is sick