

*The Budget—Hon. M. Lambert*

• (8:50 p.m.)

**Hon. Marcel Lambert (Edmonton West):** Mr. Speaker, in his remarks toward the end of his budget address, the minister when referring to tariffs spoke of live turkeys. I think he has one with this budget—it is a real turkey.

**Some hon. Members:** Oh, oh!

**An hon. Member:** A cold turkey.

**Mr. Lambert (Edmonton West):** Somehow or other we now come back to the philosophy enunciated by the previous Minister of Finance that we would have two budgets a year. Then the present Minister of Finance (Mr. Benson) said, "Oh, no; we are going to come back to one budget a year". So now we are back to two a year.

**Mr. Benson:** No.

**Mr. Lambert (Edmonton West):** I am glad to hear the minister say that, because it will kill the 3 per cent surcharge.

**Some hon. Members:** Hear, hear!

**Mr. Lambert (Edmonton West):** Unless there is another budget—and obviously the white paper will not come into force by January 1, 1971—the 3 per cent surcharge is gone for some time.

In any event, the minister indicated in a variety of ways that the Canadian economy is on a dangerous knife-edge. He pointed out, quite rightly, that there is a nagging problem of growing unemployment and no real signs of abatement in price increases. On the second page of his speech the minister talks about reductions in business capital expenditures. Some have been postponed, others have been dropped. I am referring to 1969. But the effect of those decisions will become evident in 1970 and 1971. This is what we are concerned with.

There has been a fall in profits per unit of output which has accompanied this change in investment plans. Manufacturers' inventories have increased. Housing starts, which were at a high level in 1969, have now declined dramatically. If hon. members across the way cast their minds back to the conditions in 1956 and mid-1957, they will remember there was at that time a serious accumulation in manufacturers' inventories. We saw a decline in investment plans, and housing in mid-1957 came to a complete stop.

**An hon. Member:** Now we have pollution.

[Mr. Benson.]

**Mr. Lambert (Edmonton West):** Those were the conditions, and the hon. member for St. Boniface (Mr. Guay) might as well cast his mind back to that time. In 1956-57 we were on the eve of a period of recession. The symptoms were all there in 1956 and 1957, and all but those who wanted to be blind could see what was happening. And it did happen.

This is why at this stage, when the government and the country are fighting inflation, we are caught with these nagging symptoms of malaise in the Canadian economy. How ironic it is, Mr. Speaker. I know that this is a joke for many lighthearted people who have never had to face one of these problems before, but how ironic it is that today all Canadians should be forced to concentrate their efforts on fighting inflation after the sloth and idleness in the past four or five years by this administration and its predecessor.

Many of the members of the present administration were members of the preceding one. They had it pointed out to them on many occasions from all sides that because of the lack of priority in spending programs, its unilateral action with regard to certain joint programs would force the federal government and the provinces into a straitjacket. This is what we have now. The minister speaks about it on page 5 where he says:

This is the fundamental problem responsible for financial pressures upon governments.

Further on on the same page he says:

My colleague has drawn the attention of hon. members to the important part of the projected expenditure increase which consists of the items we share with the provinces and over whose magnitudes we do not have much control.

This is precisely so. The tax structure committee told the conference two weeks ago that the federal government and the provinces will face an additional expenditure of \$1.75 billion by 1972 as a result of four joint programs, three of them rammed willy-nilly down the throats of the provinces. We are fighting the wrong war at the present time, but it is a battle caused by the maladministration of those on the other side of the Chamber.

**Some hon. Members:** Hear, hear!

**Mr. Lambert (Edmonton West):** The monetary and fiscal measures used so far by the government have brought us to the present point, growing unemployment but no real effect on prices and interest rates. As a matter of fact, it is rather ironic—