

The Budget—Hon. Mr. Lambert

siren songs of certain members of the treasury benches beguiled certain people on my left here to recant—

An hon. Member: On your far left.

Mr. Lambert (Edmonton West): On my far left and one or two on my immediate left. They recanted on their position concerning whether or not the government could be defeated. That was how life was maintained. Of course, then we had the continuing comedy of the government proposing a substitute motion and having Mr. Speaker throw it out because it was contrary to the rules. That was a real effort too. Talk about the old chug-a-lug car starting to get going! It was a sad example of an administration which did not know where it was going. In any event it automatically got the surtax on. Then following the extension last year in March the Minister of Finance candidly admitted he was not providing for it and that it was going to die on December 31. When this was pointed out to him he said, "so be it, that was our intention". After December it was going to be allowed to die. The purpose for the tax no longer existed. It had been put on as an anti-inflationary instrument in the first place—that is what they said it was—in late December and early February, 1968. The hon. member was not here at that time but there was a financial crisis, there was a run on the dollar. There was a real bind on at that time.

This was one of the conditions imposed by the financial authorities in taking steps to curb inflation. It was a very belated recognition of the problem of inflation by the present Secretary of State for External Affairs (Mr. Sharp) who was then Minister of Finance, because we had been pooh-poohed all along the line about the problems of inflation. So this came on as an anti-inflation measure. Last year in March it was going to be allowed to die but then at the same time the minister was proposing some consumer credit controls. I do not know what foot he had where on what side of what line because on the one hand he was indicating there was no longer the pressure from inflation since the anti-inflationary surtax was being allowed to die and yet there were these so-called consumer credit controls that were due to come on in June of 1970.

But somehow or other the minister then started to tell us that the government took certain measures of a monetary and fiscal nature to start relaxing the economy. Why propose consumer credit controls? Whom were they trying to fool? We know they never came in, although they have always been in the background. Even last January and February when the voluntary price restraints expired, whatever restraints there were, and when we had some price changes, did not the Minister of Consumer and Corporate Affairs (Mr. Basford) say that they had some compulsory wage and price controls they might have to consider? The Secretary of State for External Affairs not long ago said in the House that he is satisfied that this Parliament has the constitutional authority to impose mandatory wage and price controls. But what have we in the budget? We have the minister increasing consumer purchases. There are measures there designed strictly in the field of consumer purchases of the big ticket items. This is to stimulate the economy.

[Mr. Lambert (Edmonton West).]

What sort of schizophrenia is the minister suffering from?

Last year until July we had consumer credit controls to restrict the sale of big ticket items. That was supposed to be anti-inflationary. Then the anti-inflationary tax was supposed to die. Then last December there was a quick budget to impose it. Why? No longer anti-inflationary, merely revenue producing.

Mr. Stanfield: Inflation was licked.

Mr. Lambert (Edmonton West): The Leader of the Opposition is quite right because the Prime Minister said in the House or in the confines of the House that they had the problem of inflation licked. Now all of a sudden it is no longer needed for revenue. Apparently inflation is out of the way again.

Mr. Stanfield: Unemployment is licked too.

Mr. Lambert (Edmonton West): And we are going to get the surtax taken off. In December we needed the \$320 million in revenue the surtax would produce, but apparently we do not need it now. So what is this? Are we back into a policy to encourage the consumer to buy? Is the consumer to be encouraged to go out and spend? If that is so, what about wage and price controls? Where are they? Were they just some stick the Minister of Consumer and Corporate Affairs likes to trot out periodically to show the dignity of his position and that his department exists?

What sort of backwards, forwards and sideways action are we getting from the government in dealing with the economy? Are we now going to have more red convertible loans? Are we to see the encouragement of individuals to buy small hovercraft and all these other big ticket items? Is the Canadian public to be encouraged to go on a spending spree in order to crank up the economy? After all, in December the budget was supposed to be one, as the Minister said, for stimulation of the economy. I will admit that the reimposition of the 3 per cent surtax was a bit of a paradox to an economic stimulus budget because the minister indicated the government had a shelf of public works projects they were setting up. Certain projects were being dusted off with a great deal of fanfare. It was mostly dust and little spending.

• (12:50 p.m.)

The government said that more money would be injected into housing, that loans would be made to the provinces which had particularly high unemployment indices. This was to be a government go it alone. There was no encouragement for business or for the individual to help stimulate the economy last December, in other words, to encourage employment. It is even more than schizophrenia as between inflation and unemployment and the government's participation in the economy in direct action without the partnership of provinces, of business or of individuals.

Where are we today with regard to this? Why is the 3 per cent surtax being taken off? I hope we have seen the