

Finance

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, as the hon. parliamentary secretary said, the house considered the resolution on this bill on December 3. Frankly, under the new procedure, one would almost think this stage of debate is superfluous. Therefore I do not think we will take too long. However, having had occasion to read what I said on December 3 I would not change anything I said at that time. I read what the parliamentary secretary said and what the hon. member for Regina East (Mr. Burton) said on that occasion also.

At this stage, I should like frankly to emphasize certain aspects of what was said at the time. The parliamentary secretary said that this is a very important bill. I agree with him entirely. After all, Canada is a country which depends a great deal upon its exports, more so perhaps than most countries of the world. Therefore, it is absolutely essential that there be a smooth working of the International Monetary Fund for the benefit of Canada's economic well-being. Any disruption in the international monetary system has an immediate effect on Canada.

The other day the minister was almost cavalier in his, shall we say, disdainful or detached interest in the crisis related to the franc, the mark and the pound. This may have been said in the house or in that other medium of parliamentary administration, television, but if I remember correctly the minister said, "Oh, well, that does not really affect us; it is a crisis over in Europe." As the hon. member for Winnipeg North Centre (Mr. Knowles) just pointed out to me, we are only about five hours away from Europe by air. The crisis is just as much on our doorstep when it is over in Europe as it would be if it involved the dollar. Therefore, the Minister of Finance (Mr. Benson) was all wet when he said this is merely a crisis over in Europe.

Mr. Lind: Can we do much about it?

Mr. Lambert (Edmonton West): Yes; we could do quite a bit about it. There is no such thing as saying, "Well, it does not really affect us; it is over in Europe." There is a great deal we can do. There is a great deal that can be done right within our own economy in keeping our house in order. The hon. member will immediately recognize there is one fundamental basic principle that applies to the whole of the international monetary relations; that is confidence in currency. How is confidence lost? It is lost by reason of the fact that the country in question is mismanaging its affairs and is letting inflation run ram-

[Mr. Gray.]

pant. We have seen the effect of this. We have seen what has happened in Britain and we have seen what has happened right here in Canada. We will see it again unless the Minister of Finance pulls up his socks in so far as financial administration is concerned.

Some time ago the Minister of Finance had the temerity to appear on television and say he recognized his problems and had the solutions. But since that time, and concurrent with that time, the bond market has been going down and down and the interest rates have been going up.

An hon. Member: All around the world.

Mr. Lambert (Edmonton West): But even in Canada. Why does the minister say he sees the problem and has solved it when he had not seen it and did not even know it. Then, he turns around and exhorts the provinces to cut back on their budgets and expenses and does the same thing with the municipalities. He then has the gall to come into this house and say that our expenses next year will be \$900 million higher than last year. That is the reason I suggest to hon. members that we in Canada are in a very vulnerable position on two counts; first of all, because of our high degree of dependence on international trade. If anything happens in respect of world currencies in Britain, France or anywhere and we have import surcharges and restrictions on trade of course we will be hard hit.

Secondly, if our position is not credible, if there is a lack of confidence in the dollar because the government cannot be believed, then we become all the more vulnerable. Frankly, that is the position in which we find ourselves today. Since we last debated this subject one event has happened which I think might be of assistance to the minister. I referred to this in my remarks. I was glad to see an agreement reached by the United States and Canada to remove the ceiling on United States dollar holdings by Canada. I hope this will allow the government to better manage Canada's fiscal affairs, at least in part. But the special drawing rights that are provided in this bill are but a palliative which does not really go to the root of the trouble. I suppose the piling up of one line of reserves may help for a time to shore up confidence in a particular currency or currencies but, as I said before, essentially the real strength of a currency lies in the confidence in this currency in the world market. I pointed out that the degree of confidence is a reflection on the efficiency and skill in the management of a country's affairs.