

Supply—Finance

held accountable for any measures it introduces. If the government fails to provide methods satisfactory to the opposition the opposition will decide, in the light of the circumstances, whether they are proper measures and the government cannot say: You must not turn down our proposals or you will further aggravate the international crisis.

The problem of the parity of currencies is an international one. The United States faces a more serious problem in this regard than we do. They propose to take certain steps according to the conditions that exist in that country. Britain, too, has taken steps and may have to take further steps. But Britain will have a budget in two weeks' time. Why should we not be having a full-scale budget rather than one of these piecemeal propositions? After all, a budget during the month of March is not an unheard of thing. The only complication is the leadership race. This anchors the action or inaction of the government. Frankly, Mr. Chairman, it is my view that ultimately only a full-scale budget can help to restore full public confidence.

We must have the information upon which the government relies to advance its programs. We must know the full amount of the deficit for 1968-69 and the exact amount of taxes required to meet the deficit. We must know, for instance, just what the Expo deficit will be and how the government intends to cope with it. If the government persists in its intention to proceed with medicare on July 1 we must know what it intends to do with regard to the taxes that the minister and his associates have said will have to be imposed in order to pay for medicare. We need information in regard to these matters.

We heard this afternoon another interim statement, another in a series of ad hoc measures. I say, Mr. Chairman, that the sooner we have a full-scale budget the better off we will be. As a matter of fact, I would say that the lack of a budget at this time gives the impression that the government may not be telling the whole story about the economy and may be holding back until after its April convention. This adds to the confusion, to the inability to look ahead and to the general uncertainty which now prevails in the markets.

• (4:00 p.m.)

The government's failure to implement sound policies in the past and control its fiscal commitments has led it into an impasse where high taxes, inflation, high interest rates and high costs have rendered the econo-

[Mr. Lambert.]

my vulnerable to outside pressures. Had the government maintained a sound economy and the prosperity about which the minister spoke and to which we are entitled, Canada would be in a much better position today to meet the pressures from outside this country without the anxieties that we now have. I suggest that only by the formulation and adoption of sound and realistic policies backed up by a full-scale budget at the earliest possible opportunity can we get to this point.

There will be much comment on the minister's statement. I have said that I refuse to speculate about the nature of the taxes. We will wait to see what happens. There are to be cuts in expenditures. We will also have to wait to see before we comment on them. Within a day or two there is also to be a proposal concerning restraint on increases in prices and wages and other costs and incomes, based upon a board of review. It will be very interesting to see just what is intended. Will this board be given powers of compulsion and powers of roll-back? Will these apply to prices and to wages? In the case of wages, what does the government intend to do with respect to labour negotiations? I find all this very interesting, and I wonder just how much the government will rely upon such a board of review.

I am particularly concerned—and I think we will hear more—about the effect of the restraint on direct investment in Canada, especially with regard to the oil and gas industries. Last Friday night I attended the presentation of the budget in the Alberta legislature. What had been an estimated deficit of some \$68 million had increased to \$100 million because there was a \$40 million shortfall in revenues, from capital sales revenues in the oil and gas industries. Certainly some of it was occasioned by an apprehension with regard to the intentions of this government arising out of the Carter report. There are no two ways about it. This factor has seriously affected the development of the oil and gas industries in the past year. Second, what will be the effect on the direct flow of investment into Canada in connection with the petroleum industry in the forthcoming year? This affects not only the province of Alberta but also Saskatchewan and British Columbia, although Alberta is the one to suffer most. This has implications with regard to the equalization formulas. Ultimately the government will have to make certain adjustments.

I insist upon the necessity for the government to continue to bring to the attention of