

which has gone wrong, as have its policies which have been put in place.

Apparently there is the view that our present economic situation was created by chance. It was because of mistakes, the mistaken policies which were put in place. The situation would not be such if there had been better economic policies. Canadians are suffering seriously because of the policies of the government. Today the Minister of Transport said that it was all a mistake. I forget who the government blamed today; perhaps it was Mr. Lévesque. In 1968 when the present federal government came into power, it is interesting to note that there was just a whisper of separatism in Quebec. Now ten years later the separatist government is in power. The Liberal government is in power in Ottawa today and it must take some responsibility for the situation we are facing. It must take responsibility for the economic situation, rather than just blaming Mr. Lévesque and the opposition.

A few years ago the then minister of finance, Mr. Turner, who is now in the business of writing newsletters, blamed all the problems in the Canadian economy on international situations. The federal deficit cannot be blamed on anyone else; it happened domestically.

An hon. Member: Tell us about that.

Mr. Gillies: I will tell hon. members about the deficit. In Canada the federal deficit created by the government is presumably running at \$12 billion. The government will not tell us for sure because it really does not know. It is similar to the situation with Crown corporations; the government does not know how many Crown corporations it has. The current deficit in the country is four times higher than that in the United States. The Liberals do not seem to understand that the deficit had to be financed and was financed by increasing the rate of money supply through the Bank of Canada.

Mr. Railton: Oh, oh!

Mr. Gillies: The inflation in the country was created by the government.

Mr. Railton: Oh, oh!

Mr. Gillies: Perhaps the hon. member for Welland (Mr. Railton) does not care about poor people, old people or those affected by inflation. Perhaps he thinks inflation is a joke.

Some hon. Members: Oh, oh!

Mr. Gillies: It is interesting to see the hon. member's attitude. The government created inflation by its policies. It did not care what effect inflation had on Canadians.

Mr. Deputy Speaker: Order, please. The hon. member for Welland (Mr. Railton) rises on a point of order.

Mr. Railton: Mr. Speaker, if the hon. member for Don Valley (Mr. Gillies) was talking about my not caring, he should be reminded that he is talking about someone who cares a great deal about Canada and its poor people, someone who

Currency Devaluation

has devoted a great deal of his time to looking after such people.

Some hon. Members: Hear, hear!

● (1730)

Mr. Gillies: I would be glad to hear the hon. member for Welland join in this debate because I do not think I have ever heard him speak in the House before. I would love to hear him speak in this debate—

An hon. Member: Cheap shot.

Mr. Alexander: What do you mean, cheap shot? This is no kindergarten session here.

Mr. Gillies:—and hear him say how he supports a government that creates inflation of this sort which does so much to hurt the old and poor people, and whether he thinks it is a good idea to have an 8 per cent inflation rate in Canada. This government has created inflation by creating the deficit. It is one of the most irresponsible activities of a government in the western world, to allow a deficit to take place which is four times greater than the deficit of the United States.

An hon. Member: Tell us about your deficit.

Mr. Gillies: What has happened as a result of that? It has been financed by an increase in the money supply, and the net result is the balance of payments deficit which we have at the present time and in association with it a decline in the value of the dollar.

Mr. Alexander: The Toronto boys are worried.

Mr. Gillies: Hon. members attended the committee as a result of the current situation. But what is the question which is really relevant? The relevant question before parliament is: what is the proper level of the dollar for the Canadian economy and what are the sort of economic monetary and fiscal policies which should be put into effect that will result in the dollar reaching a level where inflation can be managed and unemployment is kept at a reasonable level? Nobody on the government side has been able to tell us, even though they are making the policy. Many experts think that the proper level for the dollar is somewhere between 88 cents and 92 cents, and I suspect that that is reasonably close. The proper course of action would be to get experts before the committee and find out.

I do not happen to believe that it is significant to be a member of parliament and not care about these things and not be concerned about what sort of economic policies this country ought to have. That is what the real issue is, the inflation, the high prices and the unemployment which hurts the people. We cannot find out what the government thinks the real policies are.

An hon. Member: They don't know.