

the men with the levers of economic power in this country, who doesn't understand that it is the amount of money that is put into the system that causes inflation. He did not understand the fundamental, basic, underlying causes of inflation that are examined in any elementary economic text. This senior minister of the Crown is supposed to be responsible for some of our economic management, and he does not understand what is going on.

● (2102)

Any Canadian who has listened to the debate on this bill, and particularly any Canadian who has watched what the new Minister of Finance has said and the manner in which he has dealt with the economy so far, has to be very, very apprehensive. The Minister of Finance has said nothing in this Chamber, or in committee, or so far in this debate to indicate that the government is prepared to take a fundamentally new approach to the management of the economic policy of the country. Yet the evidence is in. How long do we have to go along with increasing unemployment, inflation, and a deteriorating balance of payments before knowing something is wrong with the policies utilized by the government?

The former minister of finance, Mr. Turner, did a great disservice to this nation by going around and saying nothing could be done. That is wrong. And it is not enough to say that our problems are the result of the world situation. It is just not true. The problems are within ourselves and arise because we are not prepared to change the direction of our policies, away from something which served us well in the fifties and sixties but which started going wrong in the seventies.

If the Minister of Finance wants to make a great contribution to the well-being of this nation, he will start immediately to scrap the way in which our budget-making has been done in the past. He will move to analysing the various sectors of the economy in order to find out what has to be done in each of these sectors in order to make them prosperous once again. He must deal with the people who are managers in those areas. He must bring them to Ottawa and start constructing the budget from the knowledge that they bring. Then we will have a reasonable chance of making progress in this country.

If a budget is brought down in the spring which is built around a fundamental economic policy and theory—a macro-approach that general cuts in taxes, and changes in expenditures will solve our problems—it will not work, and we will be faced with an even more devastating situation than we have now and it is not sufficient for ministers of finance to hide behind politics, because the problems are too serious.

Mr. Chrétien: Let us vote on it.

Mr. Gillies: For far too long ministers of finance in this country have been judged on their political skills and not on their economic capabilities. We know what the difficulties in the nation are. We hope the new Minister of Finance will appreciate what we are losing with one million people out of work, increasing inflation, and the falling dollar. We hope the Minister of Finance will have the courage to come up with a

Income Tax

new, open system of budgeting which will help make this country prosperous again.

Some hon. Members: Hear, hear!

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, having listened to the hon. member for Don Valley (Mr. Gillies) and other Conservatives, I sometimes wonder if this is not an Alice in Wonderland place.

Mr. Paproski: Go ahead, Alice.

Mr. Rodriguez: Here we go again.

Last March the former minister of finance brought down a budget wherein he accepted 8 per cent unemployment and a million persons unemployed. Now the Conservatives criticize the Minister of Finance (Mr. Chrétien) for saying we have to live with one million unemployed. Mr. Darcy McKeough, the treasurer of Ontario, that darling of the Chatham Chamber of Commerce, indicated that Mr. Macdonald was a brave man and that he supported his budget. He was prepared to accept 5.3 per cent unemployment in Ontario as full employment. How can they suck and blow at the same time? That is completely beyond me.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Hon. members can make all the smart remarks they want, but I know when I touch a sensitive point.

About nine months ago, in February, I recall we had a similar tax bill. I spoke for some time opposing that particular tax bill. If some of the Conservatives had pulled their weight, perhaps there would have been an important change in the tax bill, rather than people ending up being screwed.

Some hon. Members: Oh, oh!

Mr. Rodriguez: Mr. Speaker, this is exactly what Liberals do when they bring in a tax bill. Nine months ago I opposed that tax bill on the basis that it did nothing with respect to the question of unemployment. Here we are nine months later dealing with a similar type of tax bill, and I oppose bill C-11 as well.

Whenever Conservatives and Liberals talk about the unemployment problem they have consistently refused to take any positive action with respect to it. The Prime Minister (Mr. Trudeau) and the cabinet ministers opposite have indicated that we cannot create employment in this country and that we have to leave that to the private sector. They have indicated that this is the way we have to go—the private sector or the free enterprise system will save us. Either that or we are waiting for the American economy to pick up. We are waiting for the bugles to blow and for the American cavalry to come over the hill and save us.

Mrs. Pigott: We need to make more friends.

Mr. Rodriguez: There is the "Cookie Monster" again. Members opposite have indicated that the private sector will create employment opportunities, but we have to give them tax