each of those countries? Should we compare Canada with Sweden? There is probably more unrest in Sweden today than in any other country in Europe. The tax burden is so high the people are rebelling. That country has a socialist government. Should we be compared with the United States where inflation is running between 6 per cent and 7 per cent, even with price and wage controls? Unemployment in that country is running at 6 per cent.

I think I can say with confidence that we can compare our country with any industrialized country in the western world and we can hold our heads up high. We can be proud of our performance, but we cannot be satisfied because there are people out of work and we must take care of them. Many people say that the rate of unemployment in Europe is not nearly as high as in Canada. That is quite true. However, their unemployment statistics are compiled in a different manner. They do not consider a 14 year old to be a potential worker. His ability to work or have a job is not taken into consideration when their statistics are compiled. I do not say that the European unemployment figures are fraudulent, but there is a lot that is covered up.

When checking, out of a hotel in Europe, you may have to wait 45 minutes because, no matter how modern the hotel, there is not a billing machine in it. There are 15 men in the back office working with pens calculating your bill. In this country we have computers to do the work of those 15 men. As the Prime Minister (Mr. Trudeau) has pointed out on many occasions, we could have a high rate of employment if we scrapped a lot of our machines. However, we do not want to do that. We want to urge business to take this budget and go to work. We want them to put those dollars and tax savings to work, invest in Canada and create jobs for Canadians.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I am happy to have the opportunity of taking part in this budget debate which, in a sense, is a discussion of the economic state of the nation. It is obviously a surprise to some hon. members that we are still here to take part in the budget debate. Had I believed all the things I saw last week I would probably not have been making a speech here, but somewhere else. So, we find ourselves here today assessing the economic state of the nation, just as a few days ago, obviously, someone assessed the state of the Liberal party and made certain decisions as a result. Noting the fevered expectations and forecasts of the past number of weeks I am reminded, not of the finest poetry in the world, but of a most memorable passage by Macauley which reads:

• (1630)

Was none who would be foremost
To lead such dire attack;
But those behind cried "Forward!"
And those before cried "Back!"
And backward now and forward
Wavers the deep array;
And on the tossing sea of steel,
To and fro the standards reel;
And the victorious trumpet-peal
Dies fitfully away.

So, we are not to have an election after all. If it is obvious by its self-diagnosis that the state of the Liberal party is not too vigorous, it is equally obvious from reliable external and internal indicators that the health of the nation is much less vigorous than it should be. It may well be that hon. members, such as the hon. member for Sault Ste. Marie (Mr. Murphy), believe we have never had it so good, and, believing this, are impelled to communicate this sentiment to the Canadian people time and time again. I cannot muster up the statistics to make such a statement, and I suggest they will not be regarded as being very credible by those to whom they were offered. As we look at this budget, we have to make an evaluation not only of the document itself but of the kind of economic policies which preceded it and the kind of economic conditions which permitted it. So, we are in fact looking at the whole of the record of the government which took office with immense expectations and with much acclaim some four years ago. The present minister's budget, like the economy over which he presides, derives from the decisions or non-decisions, the judgments or non-judgments of his predecessor, so our appraisal has to be somewhat in depth.

Members who support the government have of course waxed enthusiastic about this particular budget and have thrown bouquets in large numbers at the new minister. All I can say is that this is a better budget than the several which preceded it, nurtured and nourished no doubt by the present Minister of National Defence (Mr. Benson). It is interesting, however, that the present budget is evidence of a significant turnabout in the economic policies of the government. It is interesting, also, that the man most responsible for that turnabout should be the Leader of the Opposition (Mr. Stanfield)—

Some hon. Members: Oh, oh!

Mr. Macquarrie: —who has revealed in his quiet and thoughtful way a grasp of the economics of this country which has far exceeded that of people opposite. If any savant in the party supporting the government wants to know why public opinion polls are showing greater and greater support for this party, it is because month after month people are appreciating the economic wisdom of the Leader of the Opposition. I will give the government that diagnosis for free. If they are thoughtful, they will note his suggestions for our economy which preceded the turnabout of the former finance minister. They will note, too, how perceptively he has analyzed the economic situation. Many of the better moves of the present minister, and in his latter days of his predecessor, were made when they picked up some of the suggestions of the Leader of the Opposition. In his very fine speech during the budget debate, he presented two further important suggestions which I think will find favour among Canadians and have an important effect upon the national economy.

To take satisfaction out of the state of Canada's economic affairs today is surely an exercise in myopic non-observation. How can we strut about and say how well off we are, how beautifully things are going, when unemployment stalks the land year after year? In the old days of classic economic teachings, we were told that these two things came in sequence; inflation might follow unemployment. But the present government has mastered the art of bringing them on simultaneously and continuously, seemingly with no prospect of making either one of them