

that with figures, then you are faced with the question of what to do when the consumption of gasoline goes down. If it goes down then you do not get the ten cents per gallon you need for revenue.

**An hon. Member:** But you won't need so many gallons.

**Mr. Fraser:** My hon. friend opposite says we won't need as many gallons. I would point out, Mr. Speaker, that this ten cents per gallon tax is not there to subsidize the private consumer; it is there to subsidize industrial users. That consumption will still increase. It has nothing to do with whether you cut down consumption in your private motor car. If money is needed for subsidies it should be taken out of general revenue, which is a form of tax.

It is interesting that the effect of that tax is pretty severe already in terms of its psychological impact. A headline in the *Toronto Star* for June 26 reads "2,000 ask new contract after budget raises prices". None of us are so ingenuous as to think that is not going to be on the bargaining table starting this week.

One of the problems is that it is such a direct tax—it is such an obvious tax, so very, very visible. Psychologically it has a damaging effect.

Another thing that should be pointed out is that when the Conference Board made its report on the budget it said:

The increase in the price of gasoline and other energy prices will have the effect of increasing the consumer price index by as much as 1 per cent to 2 per cent over the coming year.

Those are the facts, Mr. Speaker. It is time that hon. members started to face the realities of economics in this country. If we do not we are going to be back to budgets that satisfy nobody and fail to give any direction to the economy.

In conclusion, Mr. Speaker, I repeat that the Minister of Finance did not know what to do in this budget, for the reasons I have expressed. This is a direct result of year after year ignoring economic realities that ought to be obvious to everyone.

● (1530)

It is one thing to criticize this budget. I would be the first to say that is easy to do. That is obvious because everyone who got up on the opposition side found a lot of things to criticize about it. That is not a difficult task. The question really is: what are we, as members of parliament in a democratic institution, going to do about it?

We cannot go on budget after budget tinkering here and there in the hope of buying enough time for something to happen that will improve events. This course which we have in fact been following denotes the inability of a democracy to manage its affairs effectively. This is not to be taken lightly—

**Mr. Deputy Speaker:** Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

**Mr. Fraser:** Mr. Speaker, I wonder if I could ask the indulgence of the House to complete my remarks.

**Mr. Deputy Speaker:** That can only be done with unanimous consent. Is it agreed?

*The Budget—Mr. McRae*

**Some hon. Members:** Agreed.

**Mr. Fraser:** I thank my colleagues for their generosity.

**Mr. Ouellet:** We will remember your speech.

**Mr. Fraser:** Thanks. I'll send you a copy of it.

This is not to be taken lightly because the implications are serious indeed. It is not extreme to suggest that if this parliament, this democratic institution, can no longer effectively control the direction of our economic affairs, if we can no longer completely respond to the needs of our people, if we fail to indicate by sound policies that not only now, but into the future, our democratic decision-making process works, people will eventually turn to something else.

It is, I am convinced, a truism that our institution's strength is dependent to a considerable degree on the confidence that people place in it. It is also true that, as confidence wanes, the vitality of the institution is eroded. However, the fault does not lie with the institution itself. The fault is with the people who are in control of the institution. That includes not just the government, but everybody in this House. It is a failure largely of understanding, and to some degree of the will to use this democratic institution as an effective instrument of our will.

The country is basically sound. We are blessed with resources and capable people. I read a remark recently in Stud Terkel's book "The Great American Depression," and I quote:

There was nothing sick about our country, it was just mismanaged.

I say to hon. members of this House that it is time we quit the mismanagement.

**Some hon. Members:** Hear, hear!

**Mr. Paul E. McRae (Fort William):** Mr. Speaker, I am pleased to have the privilege to speak in this budget debate. Up until this afternoon I found it rather meaningless and, to say the least, frustrating. Perhaps it is the traditional role in which we are cast. The government brings down the budget, and the opposition criticize and tear it apart, not so much piece by piece but by calling it a meaningless document. They talk about lack of leadership, and many other wild statements are made. If I suppose that the roles were reversed and the opposition were the government, they would try to make a reasonable case and we in the opposition would perhaps do the same kind of thing they are now doing.

I was very pleased to hear the hon. member for Vancouver South (Mr. Fraser) speak today. He did what I hoped would be done, that is, enter into a meaningful approach to the debate. I do not agree with everything he said, but I certainly find many of his statements reasonable. As a friend and colleague, I must say I enjoyed his speech more than any of the others in this debate.

**Some hon. Members:** Hear, hear!

**Mr. McRae:** As I develop my thesis, our paths will cross from time to time.

A very interesting paper was recently produced by a member of the other House, Senator Lamontagne. It deals