

● (1722)

We have a Minister of Finance who ignores the real growth figures for 1977, because they are very damning of this government, but plucks figures out of the air from which he in effect creates the illusion that in this current year, 1978, we are going to be ahead of any country, with the possible exception of Japan. It is time we knew the minister for what he is. He is misleading the facts to the Canadian public.

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

**Mr. Paproski:** A part-time, do-nothing minister.

**Mr. Stevens:** It was demonstrated today that this minister is nothing but a part-time Minister of Finance. Everytime he is under pressure because of economic issues he quickly wraps himself in the flag and begins to defend national unity. If the Prime Minister wanted a minister to defend national unity he should have given the present Minister of Finance the job of Minister of State for Federal-Provincial Relations, and let him spend full time travelling across the country talking about national unity. I would then say, more power to him.

I suggest there is no ministry in which it is more important to have a man with the strongest available talent working full time than the ministry of finance. If this minister cannot produce or come up with a proper budget to stimulate this country, it is time we got rid of him and, hopefully, got somebody else who could do the job.

The other startling thing I noted today is the fact that the Minister of Finance, in a rather desperate state, is now beginning to quote the bankers of Canada to justify his position. Just how naïve does he think we are in the opposition? Does he not know we realize that by giving these same bankers three eights of one per cent as a standby fee for \$1.5 billion credit, which the minister obtained to snore up our dollar, he is putting into the respective banks a credit of \$5,600,000 per year for the next seven years? With that type of standby fee payable, whether or not there is any money taken out, who would not expect favourable comments from the bankers when the Minister of Finance asks them how he is doing?

Those are the facts, Mr. Speaker, and I have checked them out. I have discovered that Libya and other countries obtained comparable credit terms with no standby fee comparable to the fee paid by the Government of Canada. Those are the facts.

I have already referred to the provisions and calculations found in reports of the OECD regarding economic outlook. There is one other thing I should put on the record. This government has been told repeatedly that if it does not correct some of the inflationary forces it has put into the economy we will have greater inflation. In this connection I should like to refer hon. members to the thirteenth annual review of the Economic Council of Canada published in late 1976. It is entitled "The Inflation Dilemma." I think it is very important that we read some of these economic reviews.

### *Anti-Inflation Act*

For reasons not fully disclosed we now have a new chairman of the Economic Council of Canada. The time has now come when we must ask ourselves whether the new chairman of the Economic Council of Canada will come forward with the same critical opinions of this government's action we have seen in the past, or will we find that this chairman has been chosen because our august Prime Minister, the emperor, likes no criticism from the Economic Council or any other body?

Before voting on Bill C-18 let me quote a few statements made in that review by the Economic Council over a year ago. At page 57 it is stated, and I hope hon. members will note this—

**An hon. Member:** Why don't you use the latest one?

**Mr. Stevens:** It states:

The federal government is not a neutral participant in the inflationary process. It contributes to the determination of inflation through its influence and objectives in the conduct of monetary policy, its control and administration of the national debt, and its expenditure patterns and fiscal structure.

We all agree with that and I think it is important the Economic Council made that point.

At page 72 of the same review we find the following statement:

From our examination, it is clear that the federal government has been the principal benefactor from the rising inflation of recent years, through the unanticipated transfers of real income from businesses and individuals. It has gained in real terms through the built-in progressivity of personal income taxes, through the cost and inventory accounting required in the corporate tax regulations, and through its situation as a net debtor.

The Economic Council has called it the way it is. It is the federal government which manufactures inflation, and the council has pointed out how the federal government is the chief benefactor of inflation.

At page 84 of the review the Economic Council in fact refutes one of the common excuses raised by this government for its sad performance in respect of the oil situation in Canada. It states:

Among the main western countries, those initially injured the most by the oil "crisis" were Japan, Italy and France; the least injured was Canada, a net oil exporter at that time.

In short, Mr. Speaker, the Council is saying we had the smallest disadvantage because of the oil situation, as compared to other countries.

Perhaps one of the most significant things to be said is found at page 135 of the report. It reads:

Over the medium term, of particular importance in our view is the labour market situation. For the terminal year 1979, the unemployment target is set at a minimum of 4.5 per cent of the total labour force—

In 1976 the Economic Council of Canada was talking about an unemployment level of 4.5 per cent for next year. In view of the statements I have read into the record, is it any wonder the Prime Minister of Canada finds it embarrassing to be living with an 8.5 per cent unemployment level and a 9.5 per cent inflation level? I would recommend that members read that Economic Council of Canada review again.