

The Budget—Mr. Otto

approach to the economy of a grossly underdeveloped nation and have a very authoritarian approach to the economy, politically and otherwise. However, I do not think the Canadian people will accept this kind of solution.

Recently, it has been widely stated that the Prime Minister is using a system of election economics. This is probably closer to the truth than anything I have heard in recent weeks. We in this party have offered suggestions. From what I have read and heard, these suggestions are widely accepted by the economists of this nation and by many politicians. We challenge the government to accept our suggestions or, in the few hours remaining, to offer proposals which will at least encourage the Canadian people and will offset the great psychological depression and real problems of unemployment in Canada today.

Mr. Steven Otto (York East): Mr. Speaker, in this debate I had hoped to hear concrete suggestions with regard to the problem of unemployment. It is obviously a serious problem. This problem affects not only the 538,000 who are unemployed but an additional 400,000 or 500,000 Canadians who are apprehensive about losing their jobs. I had hoped that politics would not play the major part which they have played to date.

Some hon. Members: Hear, hear!

Mr. Otto: I watched the Leader of the Opposition (Mr. Stanfield) on television when he was interviewed in Vancouver. I was unfavourably struck by the vicious treatment of those who attacked him, as well as by their frustration. I do not think he deserved it; I believe he was sincerely trying to get at their problem. That attack was one against every member of this House. We have lost face. We have lost all meaning to the people who are unemployed. They do not blame us. They say there is no sense blaming the members of the House of Commons, because they have nothing to do with it. They say we are meaningless. These people did not even attack the government.

Between 1959 and 1962, particularly in 1962, I received a great deal of correspondence and many telephone calls from those who were unemployed. Today other people are receiving this correspondence and these telephone calls. I refer to provincial politicians, local politicians and businessmen. Hon. members must examine themselves. How many hon. members feel they have a real entente with the people? The people of this country, especially the unemployed, have demonstrated their attitude toward the Leader of the Opposition and this House. We probably deserve it.

I had hoped to hear many new ideas in this debate. Instead, the government has been condemned for what it has done, even though it has admitted it may have made a slight mistake. What do opposition members want the government to do? Do they want the government to kneel and flagellate themselves and say, "*Mea culpa, mea culpa*"? That will not solve the problem of unemployment.

[Mr. Lundrigan.]

• (5:40 p.m.)

I think the government has quite logically answered the suggestion made by members of the opposition about tax cuts. Tax cuts are of no concern to the unemployed who will be paying no tax anyway, and the person who has work is so happy that he does not mind the tax. And where would the government get the money to finance these programs, without taxes? I believe the answer the minister gave deserves some logical comment from the opposition. There have been two speakers since then, but we have heard nothing constructive.

An hon. Member: The minister does not want to listen.

Mr. Otto: He does. He would be happy to hear good suggestions. He has answered the proposal concerning the tax reduction in a logical way, because this is a problem to be faced now, not later.

Then there is the question of the 11 per cent building tax. I am glad that members opposite so anxiously want this tax removed. I have been in the housing business for about 20 years and I can tell them that the removal of the sales tax will not cause land prices to go down at all.

An hon. Member: So what?

Mr. Otto: The tax does not apply to the land. The cost of land is half the cost of housing. More starts are being made this year than in previous years. I am not saying the housing picture is perfect; I have had some tough things to say to the minister about our housing programs. But I do not think removal of the sales tax would put more people immediately to work.

As I indicated, the debate has been lacking in constructive proposals. We have been hearing nothing but political strife back and forth, instead of ideas for immediate and long-term measures. We are wasting our time, and it is no wonder the people of this country, employed and unemployed, are dissatisfied with us and give us no credence whatsoever. We can examine these things until doomsday, but until we come up with an idea of what the facts really are we shall not be able to deal with them effectively.

Mr. Lambert (Bellechasse): Vous vous reposez.

Mr. Otto: Ah, oui. Attendez une minute. Écoutez. The real problem is still one of inflation. The government has explained that if we allow inflation to continue, it will price us out of the export markets in which we are so heavily engaged. It is as simple as that. When we do so, we are no longer employed. The Prime Minister (Mr. Trudeau) unfortunately made a remark to the effect that if we do not agree with restrictive policies, we are for inflation. That is not true. I agree with the government that the ultimate problem is inflation. But inflation was not caused because too much money was chasing too few goods: it was caused because we are not very productive in Canada.

Among all the industrialized nations in the world we stand ninth in productivity although we enjoy the second