

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

**Mr. Gillies:** Mr. Speaker, some people believe the Parliament of Canada is important. Some people believe that when there are important issues facing this nation it is not an excuse to get up and not talk about the problems that are facing the country.

**An hon. Member:** Talk about the issue.

**Mr. Gillies:** I will talk about the issue.

**An hon. Member:** Talk about southern Ontario.

**Mr. Gillies:** I will not see this parliament demeaned on an evening like this when we have a serious problem that presumably you haven't the intelligence to understand.

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

**Mr. Gillies:** We had a speaker get up and make a constituency speech. It is unbelievable for a minister to talk so naively about the economic problems of this country. I cannot believe it when I experience this happening in the Parliament of Canada.

● (2202)

**Mr. Guay (St. Boniface):** Get on with your speech.

**Mr. Gillies:** The hon. member opposite has a cabinet posting because he is the only Liberal who was elected from the province of Manitoba. Another indication of Alice In Wonderland was when the Minister of Finance (Mr. Chrétien) indicated that the dollar is at the same level as it was last October. He seemed to ask what the problem was. The reason the dollar is at that level today is because it has been supported for two days. The government has gone to other countries in order to get support. The government has gone to the commercial banks and asked for \$1,500 million to support the dollar. That is the problem with which Canada is faced. Where would the dollar be today if it had not been supported? That is the question which is really significant, important, and counts.

The rapid drop of the Canadian dollar in the foreign exchange markets is a symbol of the attitude other nations have about this country. It is an indicator of the true shape of the Canadian economy. Markets have no political values. The market reflects the decisions of hundreds of thousands of people all over the world in regard to the Canadian economy. People who have any interest in our economy are indicating that it is in trouble. That is not a political judgment. It is a judgment of the market. That is why the dollar is falling.

The dollar floats in response to the forces of supply and demand. The manner in which the forces of supply and demand operate depends upon the economic policies followed by the government. The economic policies of this government over the past few years have been disastrous. Our economic condition, as viewed by independent forces in the market, is very serious. It is appalling to see hon. members coming into

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the Chamber and laughing. It is beyond any sort of comprehension.

**Mrs. Campagnolo:** What about the economists?

**Mr. Gillies:** I have outlined the problems hon. members should speak about this evening. We do not need to talk about the problems of the economists.

**Mr. Fraser:** The hon. minister does not know anything about international economics.

**Mr. Gillies:** Apparently the Minister of State for Fitness and Amateur Sport (Mrs. Campagnolo) is a marvellous addition to the cabinet. She seems to think that 1½ million people unemployed is no problem. The fact that the inflation rate is 10 per cent does not seem to matter to the minister. The Canadian inflation rate is almost as high as that of Great Britain. For years Great Britain was used as an example of how badly an economy could be operated. Our growth rate has slowed down, our retail sales are off, and the operation of our plant and equipment is at approximately 83 per cent capacity. What other indicators are needed?

Everyone around the world is asking why a rich country like Canada should be in such desperate shape. The resource rich countries of the world are getting richer, but Canada is not. How can that possibly happen? The answer to the question is obvious. It is the manner in which the economy has been managed. Our difficulties are not because of lack of resources or people. Our difficulty is the manner in which the economy has been badly operated. Consistently we have been running deficits.

The deficit of the federal government this year will be close to \$10 billion. One should remember that ten years ago in 1968 the total budget of the government was \$10 billion, and today the deficit is about that amount. A country can handle that situation as long as there is real economic growth. Canada is not experiencing any growth. Thus, Canada cannot continue to operate with the amount of spending that is taking place.

For the last few years the government was paying for the things it gained through inflation. We have been faced with a serious inflation rate. As any economist knows, the time comes when things cannot be financed any longer through inflation because people will not accept the currency. That is the situation we are facing in Canada. If our expenditures are to be increased, as was indicated in the estimates today, and if the government is not going to tax in order to pay them, there will be serious economic problems. That situation is made dramatic by the drop in the value of the dollar.

The government has had no courage to face up to reality. How long does the government think it can spend far more than it has in revenues? At some point the courage must be found to deal with the situation. Like other hon. members in the House, I have an interest in parliament and the history of Canada. What has happened? Is the government more interested in power than in solving problems? Is it afraid to tackle the tough issues before us at this time? Will politics always be