

of it, the minister finally understands that if we, as Parliament, pay great attention to the rights of the individual, we can no longer say to that individual: You can be unemployed because you are only a percentage. I think we have come to the end of this era.

• (2:40 p.m.)

There is only one thing missing from the budget, although I do not know how the minister could have fitted it in. It would have been very pleasant to have had an announcement that Mr. John Young, Chairman of the Prices and Incomes Commission, had been promoted to the Senate or some other place. With all respect, I say to the minister and the government that Mr. Young can be nothing more than a great embarrassment, a millstone around our necks, because he was never a credit to us in the first place. I may say that I cannot imagine myself standing up again and moving a reduction of his estimates, because the first time I did so I was sent out of the country, and the last time I was cut off the committee.

Mr. Knowles (Winnipeg North Centre): Which are you insulting—Mr. Young or the Senate?

Mr. Otto: Well, we could send him to the Maritime Coal Board, as happened to another deputy minister just recently.

Surely, the government must realize we can no longer tolerate, as the head of that commission, a person who is fixed on the idea of restraint, because restraint is not going to work. If we are going to get into an expansive economy we must have someone else to head the commission, to do some of the work, to find out how we can expand the economy, how we can get people employed and productivity increased. I think this is what we need. If we do not get rid of Mr. Young, if the government considers that he is essential, then we will get into price and wage controls, something which would be devastating to our country and to our economy.

Having listened to the budget debate thus far, I think the opposition parties have got themselves into a box in connection with the proposals for tax reform. I recall sitting on the committee when the white paper proposals first came out, and Conservative members said, "Oh, you can't put on this capital gains tax; Canadians will fly over to the United States. Where will we get our development money?" Since then, there has been a tempering of the original white paper proposals and the Carter Commission recommendations. Now, the Conservatives claim, "You have not done anything." Well, Mr. Speaker, the proposals dealing with expense allowances for children, moving expenses, averaging of income, capital gains tax, amendments to the corporation tax, and the incentives for Canadians to buy up companies threatened with takeover by foreign firms were all contained in the original ideas of the Carter Commission and the white paper. It cannot be said that nothing has been done.

I think the tax reform bill is a good one, but since we will be debating it later in the session let me move on to the things on which I think the government has to make up its mind. Before doing so, however, may I refer to the complaints by the NDP about the white paper. With all

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respect to my very good friends in the NDP, I think they are still fixed on the idea of some kind of ideal socialism. Surely, it can be seen that this has not worked, and will not work. I wonder why they keep plugging it when there are so many other facets for a radical party to exploit, explore and put forward. Why do we have to hear "This isn't enough. Share the poverty"? Surely we know from experience that men, being what they are, want an advantage before they become entrepreneurs, before they gamble their time and money. Men are greedy. You must give man power. Surely, we must come to the conclusion that governments cannot cause full employment. Nobody can, except the employer. So, to condemn the white paper and say too much was being given to the employer, the entrepreneur, does not make sense any more.

I think the minister has done a creditable job in connection with the economy, and I think he is on the right track. But let me now pursue the government as a whole. The Minister of Finance (Mr. Benson) realizes that we have to get the economy going. Everything he has proposed in the budget has been aimed toward that end. But the government, all other departments of government, do not seem to realize that the minister alone can do nothing. For the past number of years, the emphasis seems to have been placed on the Minister of Finance. He has been told, "Bring in your budget and do magic tricks with it." It is time for the government to realize there has to be a correlation. The Department of Labour, the Department of Regional Economic Expansion and the Department of Industry, Trade and Commerce all have to work together. If our input is going to be on the fiscal side, these departments must act together and not move in different directions as they are doing now.

Our economic problems are not that mysterious. We have heard a lot about inflation. One would think that it was a great mystery, but the reason we have inflation is outlined simply on page 105 of the budget papers. From 1969 to 1970 output per man hours showed an increase of 3.2 per cent, and two columns over it is shown that average yearly earnings increased 10.6 per cent. In other words, the worker, the labourer produced 3.2 per cent more goods, and he demanded and received 10.6 per cent more money. I don't care which way you slice it, which economics you use, you will come up with at least 7.4 per cent inflation, which is exactly what we had, and by spring of next year it will probably come to 10.4 per cent. There is no possible way that the Minister of Finance can solve this problem. The new labour bill presented by the Minister of Labour (Mr. Mackasey) was no more an answer to our problems than anything done in the past.

An hon. Member: How much did the cost of living go up?

Mr. Otto: How do you think the cost of living goes up—by magic? The hon. gentleman opposite still holds the belief he learned at his mother's knee, that there is a dispute between labour and management. Let me let him in on a secret. There is never a dispute between labour and management, but there is a dispute between labour and the consumer, and between labour and labour,