

*The Budget—Mr. Gillies*

to be paid for and had the courage to tax for them, then I think we would have some restraint.

After the 1940s, budget-making changed, and the purpose of the budget was more or less to set an economic policy for the nation. The goals of that economic policy-making are reasonably well known—to have relatively full employment and relative price stability. If the government is not going to use the budget to raise money to pay for its expenditures, I suppose it could always cop out and say, “We are going to use the budget to direct the economic performance of the nation in the course of the next year or two to get reasonably full employment and relative price stability.”

The Minister of Finance (Mr. Chrétien) has brought down a budget which increases the deficit, so out the window goes any idea that the budget is used to raise finances for expenditures. The minister predicts that the unemployment rate will rise and that we will end up with an inflation rate of around 6 per cent. A year ago he said the inflation rate would be around 4 per cent. This budget does nothing for our economic policy and nothing to raise the revenues that we need for expenditures about to be undertaken by this nation. This budget simply deals with the mechanics of the operation of the government cash balances and cash needs.

Some people have said that we have a very responsible Minister of Finance because he did not bring down a political budget. In fact, it is one of the most political budgets that has ever been brought down, because what has to be the bottom line for this budget is that this government is not prepared, under any circumstances, to see the value of the Canadian dollar drop below 84-85 cents on the foreign exchanges. Indeed, in the budget address the Minister of Finance said that it is the position of the government that the value of the Canadian dollar should remain around 85 cents as compared to the U.S. dollar. What he is really saying is that the Liberals have to get ready for an election and that they cannot afford for the Canadian people to see the economic failure of this government dramatised by a falling dollar.

This government does not care about the millions of Canadians who are out of work or about inflation. It wants to keep the dollar at around 85 cents so that Canadians will not have a clear and simple indicator of how great the mismanagement of this nation has been under the administration of this government. Politically, it is unacceptable for the dollar to fall below 85 cents. I do not see how anyone can make the interpretation that this is a responsible budget and a responsible minister when the budget does nothing to meet the needs of the people of Canada, but merely attempts to ensure the political survival of a party.

If we ever needed in this country a budget with imagination that would do something for our problems, it is now. Yet the Minister of Finance did nothing, clinging to the hope that somehow he would manage to get along, fooling the Canadian people for another few months that the economy is not in as bad shape as it truly is.

The announcement by the Prime Minister (Mr. Trudeau) today of his cabinet shuffle is another disappointment. The

Minister of Finance, who has presided over an increasing deficit, increasing unemployment and increasing inflation, is left in his portfolio. The Minister of Industry, Trade and Commerce (Mr. Horner), who has been something less than a world leader in his department, is left in his portfolio. Canadians who are really concerned about their country must be wondering what is happening. We get something called a board of economic development that leaves the Minister of Finance in an ex officio position. What kind of Minister of Finance would stand for the establishment of such a board without a major role being played by the minister himself? As for the Minister of Industry, Trade and Commerce, they even took his deputy minister away for this new board. Another bureaucratic structure is created when what is really needed is strong competent ministers who understand the problems and have the courage to bring in the solutions that are necessary to get this country moving forward again.

We need reform of economic policy-making in this country. It has been spelled out many times by members of my party. We need reform in the operations of the finance committee. We need to have hearings, before the budget is brought down, with competent people around the country, and we need to have some control over expenditures in this House of Commons. Every member of parliament knows that when he or she is elected, his or her constituents think he or she is going to do something about controlling expenditures, and every member here knows, if he is honest with himself, that this government has no control over the expenditures in the way they are set up at the present time.

Instead of moving where we need to move to strengthen our key portfolios, we find today that the Prime Minister has done nothing and has allowed to remain in these key positions ministers with proven records that they cannot handle their job.

I would like to put on record that I believe, and the members of my party believe, that Canada can enter, and is about to enter, one of the most prosperous periods in its history. I am very bullish on the next decade for Canada. There is so much to do in terms of pipeline, energy development, steel construction, light manufacturing and so on. The most prosperous nation in the world, bar none, in the 1980s can be and probably will be Canada. In that prognostication I am not speaking as a member of parliament. I am speaking as an economist. The strength of Canada is ahead of us.

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This rightful prosperity will happen, however, only if we have the benefit of a government which knows how to manage the economy. What we have had for the last ten years will not do. We require a government which understands that the private sector uses resources efficiently. We require a government which has confidence in individuals and believes in rewarding initiatives. We require a government which will turn the strengths of the nation loose. We were built as a nation of entrepreneurs and individuals who had enormous confidence that they could operate within the framework of a government