and to show restraint. This means that we will have more unemployment and inflation.

I think that this legislation and this debate are really pointless. Instead of bringing this legislation forward the minister should have brought forward a new budget. The Minister should no longer heed the advice coming from officials in the Department of Finance because in the last three or four years they have been consistently wrong. Instead, he should listen to the advice given by the Economic Council of Canada and the Conference Board of Canada which he has rejected out of hand as being impractical. They have suggested that what is needed is a substantial cut in income tax, particularly for people in low and middle income brackets. The minister has been heard to comment that one of the reasons we are in trouble is because people are saving too much money. The figures prove that savings have increased substantially but these savings are not by people in low and middle income brackets. They are not in a position to save money; they must spend everything they earn just to get by.

● (2042)

The Economic Council of Canada, which is composed of people appointed by this government—it has no labour representation and, if anything, is business oriented—recommended a substantial cut in income tax and a cut in or removal of sales tax. No other form of taxation is felt more cruelly by people on low income than sales tax. Any reduction should be monitored so that it filtered down to the consumer. This would do a great deal to cushion the increased cost of living we have witnessed over which, in many cases, we have little or no control. That is one thing the government should do to fight the increase in the cost of living and the increase in the rate of inflation.

The government should also deal with unemployment. It is not good enough for the Minister of Employment and Immigration (Mr. Cullen)—or, as he is commonly known, the "minister of unemployment"—to say that government can do little or nothing about unemployment. We will not and we cannot accept that kind of statement. We saw enough of that kind of argument in the depression years. We thought those days would never return but they are back. To a large extent, the minister and the government are responsible for the current unemployment.

We have argued and will continue to argue that it is the government's responsibility to adopt programs that will put people back to work. This is not impossible. We need to get on with building homes for the tens of thousands of people in this country who still live in dilapidated and unsanitary homes. This is completely inexcusable. We also need to develop programs to deal with pollution.

As I have said before, Mr. Speaker, we live in a country which spent $1.5 billion to hold the Olympic games in a city which still dumps raw sewage into the St. Lawrence River. That kind of thing should not be allowed to continue.

The government ought to forget about its anti-inflation program, although it earned some undeserved credit in the first year of operations, for which it can be grateful. It ought to get on with the job of putting people back to work and helping those on low incomes who have been adversely affected by the sharp increase in the cost of living this past year. This increase will continue throughout 1978 unless the government takes action.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at the outset I should like to say that the Minister of Finance (Mr. Chrétien) was probably right when he said in Toronto recently that the Liberal administration was not very good. Of course, he tried to cover that up by saying that the alternative was worse. The minister and this government have been running the economy of this country for a long time, however. After railing against the evils of wage and price controls in the 1974 election campaign, the Prime Minister (Mr. Trudeau) and the government then did an about-face and introduced them. The results have not been very good.

Bill C-18, instead of paving the way for the removal of controls, provides for the extension of them and even widens the net by including profit and wage guidelines retroactive to December, 1975, as well as guidelines for the transportation industry. Profit and wage guidelines are also to be extended to the construction industry. The bill contains one or two amendments that might be useful in a decontrol program, but although the government has announced that controls will end on April 14, in practice 70 per cent of renewable wage agreements and 81 per cent of renewable profit performances will remain under control during 1978. As well, the way has been paved for a continuation of these controls if the government so desires.

The Minister of Finance has said that he hopes for an inflation rate of 6 per cent this year. Mr. Speaker, he must be the most optimistic person in Canada when you consider that inflation is already running at 9.2 per cent and the government still proposes to remove controls.

In the United States, which has an enormous influence on our economy, indications are that inflation will increase substantially. In his State of the Union speech, the President of the United States triggered another fall in the United States dollar, and, of course, our dollar fell along with it. We tend to look at the state of the U.S. dollar and forget that the whole North American economy is affected by it. In President Carter's first year in office in the United States, the government there has added to inflation by an increase in the minimum wage, which always increases wages at all levels not just at the bottom of the scale. We are adept at this as our minimum wages are substantially above those in the United States. Just recently, the province of Manitoba illustrated the danger of excessive increases in the minimum wage when they refused a further increase in the statutory escalation of the minimum wage in that province. In the United States government workers received a salary boost of 7 per cent. They are doing the same thing that we are doing in this country.

The orderly marketing agreements which the United States government has indulged in are just a fancy label for the limiting of imports. In Canada we are doing this with televi-