

through the estimates that are before us today, but surely we can no longer hide behind the fiction that is impossible to do anything about the unemployment situation. We have had a demonstration that something can be done about economic problems by our neighbours to the south. Two years ago, the United States unemployment figure was approximately 6 per cent. It is now heading toward 5 per cent while ours may be going to 7 per cent. Two years ago the rate of inflation in the United States was rising rapidly. It is now almost 3 per cent while ours is going toward 5 per cent. It is irrational, improper and a fraud on the Canadian people to suggest that nothing can be done about the problems of unemployment and inflation.

Some hon. Members: Hear, hear!

• (1640)

Mr. Gillies: It seems to me that the record shows that the policies which have been followed by the government over the last three years have been highly ineffective. In fact, the Treasurer of the Province of Ontario, speaking at the finance ministers' meetings recently, said that the total effect of the last three budgets on our economy has been perverse—that they have probably done more harm than they have done good. I would not care to debate that point particularly, but the point I do want to make, one which I think is relevant to the issue we are discussing here today, is that forecasts made in the last budgets have been wrong. I want to suggest to hon. members that there is no way in which we can make proper economic policy in this nation unless we are organized in such a manner as to have proper information and proper data upon which to make it.

I cannot say how concerned I was to hear the Minister of Finance (Mr. Turner) stand in this House yesterday and say he is not in the business of forecasting.

Some hon. Members: Hear, hear!

Mr. Gillies: May I say that the shock I felt yesterday was only a continuation of the shock I have felt for the whole period I have been here because it has not been possible to get the Minister of Finance, speaking for the government, to say what are the goals of economic policy for this country. We must be the only country in the world with a government which will not say what it is trying to do in connection with economic policy.

Some hon. Members: Hear, hear!

Mr. Gillies: Only a few weeks ago, Mr. Speaker, the Secretary of the Treasury of the United States stated, not in secrecy but openly and with press releases, that the economic goal for that country for 1973, in terms of price increases, was an inflation rate of around 3 per cent. Now, why did he do that? He did it because he wanted every single person in that country to know that this was what the government intended to aim for; he wanted everybody negotiating contracts to know this was what the government was aiming for, he wanted people to know, when talking about price increases, that this was what the government was aiming for. I do not believe that what we are trying to do in this country in terms of economic policy should be a secret held within the breast of the Minister of

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Finance, the Department of Finance or anybody else. After all, everyone wants to work toward achieving satisfactory economic performance.

Some hon. Members: Hear, hear!

Mr. Gillies: Unless we know what our goals are, how on earth are we going to be able to reach them? It is my opinion that the reason the government does not want to give these indications, to tell us what its goals are, is that in the past the figures they have given us have not worked out. Perhaps they feel embarrassed and are not prepared to make economic forecasts. But I say to you, Mr. Speaker, with due respect, that to follow such a course is an abdication of responsibility. Surely, we should not play politics with the amount of unemployment we have in the country and with the amount of inflation which exists in the country. What we really should be doing is trying to solve the problems, and to do so it is necessary for everyone in the country to get behind the goals of economic policy.

I am sure Canadians would not care—I do not suggest that they would be very happy—if the Minister of Finance on behalf of the government were to say that unemployment this year will reach 6 per cent or 6.2 per cent. At least, we would know where we were going. We would know what the goals were. I think the fact that these estimates have been brought in for us to look at without any idea of what the economic policy of this country is in terms of fighting unemployment or in terms of fighting inflation, makes it impossible for anybody to give really serious consideration to them in any effective fashion.

It seems to me, Mr. Speaker, that to ask us to approve an estimate for three years of \$350 million for a winter works program, without any other policies being brought forward by the government with respect to unemployment or inflation, is asking us to do something which we can do only with the greatest reluctance, if it can be done at all. If one looks at these estimates, one cannot help but wonder at them. The Minister of Finance has said that probably this year \$75 million will be drawn for winter works programs by municipalities through the provinces. That, of course, leaves \$275 million to be drawn down in the two later years. I can only ask myself: does the Minister of Finance expect that unemployment will be higher in 1974, and higher in 1975, if he is asking for that kind of appropriation? I also realize that the \$350 million will be worth 10 per cent less, unless we have new policies with respect to prices, because of our rate of inflation each year. But basically what I am saying is that this type of policy making is ad hocery of the worst sort. And I say that ad hocery in the making of economic policy certainly is not good enough, especially when our country is suffering from unemployment and inflation at the rate it is at the present time. I suggest the estimates simply reinforce the fact that the government should take a really good look at the way in which economic policy making is organized in this country.

I have said before, as has my party, that we need a short-term economic forecasting unit in this country in order to keep track of what is happening. The provincial premiers have said that the program now being discussed is being introduced too late to be effective. They asked for