

*Anti-Inflation Act*

● (1530)

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, I suggest that a vote on motion No. 4 is necessary. If the vote is carried, we should need to vote on motion No. 3. If it is defeated, there is no point in voting on motion No. 3. The vote on motion No. 5 might be separate.

**Mr. Speaker:** Perhaps after the motions have been discussed there might be agreement on the manner in which the votes shall be taken. The House will now consider motion No. 2 standing in the name of the hon. member for York-Simcoe (Mr. Stevens).

**Mr. Sinclair Stevens (York-Simcoe) moved:**

Motion No. 2

That Bill C-73, an act to provide for the restraint of profit margins, prices, dividends and compensation in Canada, be amended in paragraph 12(1)(e) by striking out line 28 at page 12 and substituting the following therefor:

"ting inflation and, in particular, shall make explicit such implications of the failure of the federal government to co-operate in combating inflation by monitoring the respective main and supplementary estimates of expenditures for each fiscal year of such government and publicly commenting, within 21 days after any such estimates are made public, upon any failure, disclosed in such estimates, by such government to combat inflation."

He said: Mr. Speaker, much of what I wish to say on motion No. 2 was said in the debate on the form of the motion and whether it is suitable for debate at this time. We feel that an essential ingredient in the federal government's proposed anti-inflation program is restraint in government spending at all levels, particularly the federal government level. We think that the government during the last eight years has demonstrated a surprising lack of restraint over its own spending. The federal budget in the year before this government took power stood at about \$10 billion. The current budget calls for federal spending of about \$30 billion, or \$20 billion more than the government spent in the 1968 fiscal year.

It took 100 years for federal government budgets to rise to \$10 billion, yet the present government, in only eight years, has tripled its budget. In the last two years the federal budget has shot up from \$20 billion to \$30 billion. The government has been on a spending spree, increasing its spending during the last eight years by 25 per cent per year. This is alarming. Most economists in the country agree that government, particularly federal government, spending has contributed to inflation. Another consequential cause is the deficits which have been incurred. The net result has been an excessive increase in this country's money supply.

No controls program will work effectively unless there is restraint in government spending and a more responsible approach taken to the printing of money and expansion of the money supply. That is why we bring forward the present motion for consideration. If the government is sincere, if its anti-inflation program is to be credible, surely it will not object to the Anti-Inflation Board commenting on federal government spending programs. We suggest that within 21 days of the tabling of the main or supplementary estimates in this House, the Anti-Inflation Board should be asked to comment on whether it feels the government is adhering to its own anti-inflation program.

[Mr. Speaker.]

We think this provision is justified in view of some alarming information which came to our attention in committee. We learned that in the 1976 fiscal year government spending will increase by slightly less than 16 per cent over last year's figure. When we attempted to learn how much the government will spend in the 1977 fiscal year, we were given an estimate. Apparently the increase is to be slightly less than 15 per cent. The position is ludicrous. The federal government asks wage earners to restrain their wage demands to 8 per cent, businessmen to restrain their profits and prices, and shareholders to accept lower dividends. But the government will not adhere to its own guidelines when increasing its own spending. Government spending will increase by as much as 14 per cent, although possibly less than 15 per cent.

Figures to be produced later this week will indicate that in the first six months of this year all governments took for themselves an amazing 44 per cent of our gross national product. Contrary to what the government says, the evidence shows that federal government spending has been rising more rapidly than the spending of any other level of government in Canada. That is why we think that a public body like the Anti-Inflation Board should "call it the way it is," especially if the government persists in its spending spree.

Surely the very board charged with monitoring the anti-inflation program should comment on the government's own record? That is all this motion says. I hope that motion No. 1 is procedurally admissible, as its passage would put a cap on government spending. The government claims it will spend \$30 billion this year. If the motion passes, government spending will be contained to an 8 per cent increase, or to \$2.4 billion more, compared with \$4.5 billion more which the government apparently envisages spending in the 1977 fiscal year.

Motion No. 2 simply asks the Anti-Inflation Board to comment on the main or supplementary estimates within 21 days of their tabling. In no way does it detract from the rights of parliament. It simply asks the board to comment on government spending. This is to be a public process which will help the public and hon. members when they consider estimates and the government's spending programs. Surely the government is not alarmed at what the Anti-Inflation Board may find with respect to proposed spending increases. After all, governments now take 44 per cent of the gross national product, an alarming percentage. Other nations have followed the same course, to their detriment. It is time for the government to restrain its own spending and forgo a spending spree that except for wartime has had no precedent in Canada since confederation.

In short, the government must be less secretive and more open with the public concerning its spending. Such frankness on the part of the government now in power would be of wholesome benefit to all Canadians.

● (1540)

**Mr. Max Saltzman (Waterloo-Cambridge):** Madam Speaker, I have some difficulty following the logic of hon. friends on my right. As I recall their participation over the years, they have been against boards and against anything being taken out of the jurisdiction of parliament and