

Restraint of Government Expenditures

allegiance to the Queen in respect of ministers of the Crown in Quebec?

An hon. Member: Are you supporting him?

Mr. Diefenbaker: There is another chap that does not even know what it is all about. This oath was taken away by a Liberal government, and Levesque is going to bring it back. This would seem to indicate that he realizes whatever happens in the future that he should now stand for the monarchy.

Some hon. Members: Hear, hear!

Mr. David MacDonald (Egmont): Mr. Speaker, the right hon. member for Prince Albert (Mr. Diefenbaker) has already indicated in very clear-cut tones the general behaviour of this government and its great and growing unacceptability to the people of this country having regard to its general performance and, in particular, its management of the financial affairs of Canada. As you know, sir, a substantial part of this day has already been spent in dealing with the government's willingness to deal with the specific and direct suggestions put forward again as recently as yesterday by the Auditor General concerning how this government should resume or assume some measure of responsibility for the financial affairs of this country which have fallen into such a sorry state.

It is more than a touch of irony that at this point, in addition to the matters presented to us by the Auditor General, this House should be seized with Bill C-19 which purports to be a bill having to do with government restraint. One wonders how the government can have the incredible gall to pursue this particular piece of legislation in the face of that kind of direct and basic condemnation presented to it in the latest report of the Auditor General.

My colleagues have already suggested a number of instances in which this government has shown its increasing incompetence and, perhaps, its unwillingness to manage properly the financial and economic affairs of this country. I have no hesitation in suggesting this afternoon, as has been suggested by other speakers in the course of this debate, that the measure we are presently considering is primarily a sham and a fraud. It presents itself as a bill having to do with national restraint. There is no doubt that there is a certain impact in this bill on those who can least afford to protect themselves, but the description of this legislation as having to do with restraint is obviously so far from the mark as to be absolutely ridiculous.

Even at the time the previous president of the treasury board presented his statement on December 18, 1975, he was unable to indicate to the former leader of my party and other members the exact application of this so-called \$1.5 billion. Members will recall that the shopping list provided by the then president of the treasury board dealing with budgetary and non-budgetary items was not clearly understood even by the minister. When we asked on the night of December 18 to have some active comparison between the statement and the ongoing estimates of the department, the minister quite candidly admitted it would be impossible until the new estimates were presented in February of this year.

[Mr. Diefenbaker.]

We have had those estimates and we have had supplementary estimates since, but the news goes from bad to worse. It is estimated now that there will in fact be an increase in government spending this year of some 16 per cent, representing an increase, in absolute terms, of \$5.8 billion. When one begins to look at that figure of \$5.8 billion and compares it with the kind of possible, probable, maybe, or could be things, the then president of the treasury board talked about on December 18, we realize what kind of sleight of hand was being practised by this government. We realized that this list of a strange assortment of items to be reduced or eliminated altogether not only was not significant in terms of a legitimate restraint program, but it was, as the House leader of our party suggested yesterday, simply a piece of cosmetics in an attempt to create an impression in the public mind that this government was serious about restraint.

In a sense, it is no longer necessary for a member on this side of the House really to make the case, because the case has been made abundantly and conclusively by the Auditor General. I do not plan again to make a case in respect of the ridiculous situation this government has itself in at the moment with this sham of a bill; but, as I said a few minutes ago, there are elements in it which, because of the indiscriminate and haphazard way in which the measure was drawn together, are having a real impact in areas on those people who can least afford to protect themselves.

At the time this measure was brought forward by the then president of the treasury board, now the Minister of Industry, Trade and Commerce (Mr. Chrétien), I made it very clear that I was very much concerned about the nature of these reductions and the kind of criteria that were used to make the decisions involved. That concern, as I mentioned when the minister made his statement on December 18—and have mentioned since—is that there was no basic framework, no basic acknowledgement that in some areas the government's financial management was not under control, there was no evaluation in terms of priorities, and no criteria had been established as to the major and minor responsibilities on the part of the government.

• (1640)

Mr. Speaker, it does not take anyone with a very long memory to recall the last time the government embarked on a so-called restraint program. In the years 1969-70 the government decided it had to enact such a program because it had said the economy was overheated. It referred in particular to parts of central Canada and the far western part of Canada where the economy had to be dampened because of the fires of inflation. That was before the Prime Minister (Mr. Trudeau) made his first statement about the fires of inflation having been extinguished. But what those of us who live in the regions of the country where the health of the economy is in a delicate situation discovered is that in attempting to deal in an inflexible way with the inflationary situation, to which the government had partially contributed, certain regions and provinces in this country suffered inordinately.