

Supply—Finance

has taken place in the past year. This inflation is not classic in the sense that there is too much money chasing too few goods. The minister proposes by taxation to curb inflation. Are we to buy fewer goods made in Canada? Shall we employ fewer Canadians and therefore create new unemployment? This is what will happen to the extent that this measure is effective in curbing the consumption of Canadian goods and services. Have prices gone up because goods are scarce? That is not the case.

I still wonder what measure is to be placed before us today. In this connection let us consider the level of government expenditure. The minister has said there will be a reduction of some \$75 million, although he has not indicated in what sector, and I think it would be idle to speculate in this regard. Perhaps he intends to accelerate the reduction of our defence expenditures. Perhaps he feels that a freeze in the number of public servants will result in some saving. Perhaps he plans to cut back on other government programs. In any event, these government reductions must be realistic.

I have always maintained that provincial and municipal governments share a responsibility with the federal government in respect of our economy. At this time the provincial legislatures have either received or are about to receive provincial budgets. The government of Canada should set an example regarding realistic anti-inflationary measures. We all suffer because of inflation.

● (3:50 p.m.)

We had the comic opera exercise at the time of the budget debate when the President of the Treasury Board said that the government was limiting its expenditures and had cut all the fat from them. Yet we are told we are going to limit the increase to something like 4.5 per cent. When we compared the figures of the first estimates for 1968-69 with those for 1967-68 we found there was an increase more like 8 per cent. Even if we take into account the supplementary estimates we are now considering, next year's estimates are close to 6 per cent higher than the total estimates of 1967-68.

Suggestions have been made with regard to realistic anti-inflationary measures that could be adopted. I ask hon. members to read the report of the Auditor General and his references to the unimplemented recommendations of the royal commission on government organization. This report is to parliament; it is not a report to the government. The report

assesses the performance of the government. We see what little regard has been paid to the recommendations of the public accounts committee and of the Auditor General. It is as though the government says: We have to have these reports; they are a hair-shirt we must wear but we will ignore them as much as possible.

In Montreal this week the Leader of the Opposition indicated his willingness to support government measures to counter inflation and support the Canadian dollar, but he is not certain that new taxes are the only way to achieve these ends. We want to know precisely what the government has done in the past year with regard to implementing the recommendations of the Glassco report and what it intends to do this year. I have referred to the Auditor General's strictures with regard to non-performance in this connection, and that section of the report on page five should certainly make the government hide its face in embarrassment.

There was a reference by the Minister of Finance to, shall we say, the manufacturing of a crisis. He did not use the phrase "manufacturing a crisis" but he certainly referred to the situation. He delivered a lecture to the communications media about exaggerating political uncertainty, and he said on page 4 of his speech:

It makes news to keep saying we face a financial crisis; that the government in Canada will be or may be paralysed by political developments.

I wish he had told the Prime Minister about that. When the Prime Minister went on television that Wednesday evening we were given one of the best performances in how to stoke the fires of crisis. That lesson should be administered right within the government.

With regard to the announcement by the minister that he will later today table two resolutions with reference to tax measures, I say it must be the government's responsibility to choose the methods which it deems best suited to deal with the problem not only of inflation but of the pressure on the Canadian dollar. It is the responsibility of the government to choose its methods. It is not the responsibility nor the obligation of the opposition to be blackjacked or pressured into accepting them as being the answers.

After all, we heard the Minister of Justice say the other afternoon: We are the elected; we are the ones to choose. I say, all right, if that is what he says then the responsibility lies directly with those on the other side of the chamber and the government must be