

Restraint of Government Expenditures

inflation program and the legislation on which it was based. The government had fought an election 14 months before, challenging and denying the validity of the proposals advanced by this party and other people in Canada. A short time before October 13, 1975, the government said it was categorically opposed to controls and had no intention of introducing them. That is the most certain reason the program was doomed to failure.

It is psychology upon which inflation feeds itself. I do not think there is any doubt about that. People have a very understandable desire to protect themselves from the storms of increasing prices, from the danger of prices of goods and commodities being increased. They want to protect themselves to ensure they have adequate savings against that sort of situation. When they demand increases either in wages or in the price of the commodities they sell, they not only make allowance for the current year but the next year as well. The cumulative effect is the reason for inflation.

On October 13 and 14, 1975, the Prime Minister (Mr. Trudeau) solemnly announced to the people of Canada that he was going to bring about the end of inflation. He stated that we were to have controls, and explained the way they were going to work. If at that time there were some fairly well indexed and buttressed reasons for the government's position, that might have been a saleable proposition. However, the people of Canada do not believe this Prime Minister; they do not believe this government, a government with a record of deception, slyness and an incapacity to tell the truth about situations dealing with inflation. They are just not believable.

When the anti-inflation program was announced and the legislation brought down, the people shrugged their shoulders and turned away from it. The psychological aspect which should have been the standard core of the program was eliminated from the beginning. When over the years a government practices organized deception, it is not easy to persuade the public that they have changed their attitude. That is one of the reasons a provincial government was defeated yesterday.

The hon. member asked us to believe that this government is taking logical, reasonable and believable steps at this time to deal with the program which will bring about a cessation or diminution of inflation. He stated that Bill C-19 is a vehicle designed to achieve that effect. He cannot expect the public of Canada to buy that kind of proposition.

There are ways in which it can be done. It will not be easy. The public has become cynical. People do not accept the word of government at this stage. They have been told on many occasions, over many years, by the Prime Minister and by successive Ministers of Finance that inflation is beaten. That is almost like a cease-fire in Lebanon which seems to happen every two or three days. Therefore, the public do not believe this government when it tells that story. It would not be impossible for this government, if it were really determined, to deal with the question of inflation by trying to create in the minds of people an honest and sincere belief that they are going to exercise restraint in government expenditures.

[Mr. Baldwin.]

The hon. member spoke about James Bay. I am glad he did. It reminded me of a statement which I made not very long ago and which I will again call to the attention of the House. Practically all the programs initiated by governments in Canada over the past 20 or 25 years, with one or two exceptions, have more than exceeded their estimated cost. When these programs are brought down, whether they involve construction expenditures or are social benefit programs, some indication is given as to what the cost is likely to be. On every occasion, with one or two exceptions, that estimate has been exceeded. I do not know whether the estimate was made falsely, with gross negligence, from ignorance, or outright lying; that, I cannot tell. I could list the programs but I do not have the time. However, in each and every case they have more than exceeded, by a substantial amount, the original cost. When you pile these programs one on top of another, it becomes the basis of inflation which has racked this country and other countries of the world. The belief that you can have guns and butter was one of the reasons that led the Germans into the last war, thinking they could finance an operation of that kind.

When these programs are finally brought to fruition the costs are infinitely increased. Add them together and you find you need more taxation to pay for them. Taxation means that the people providing the goods and services in this country have to charge more. That creates inflation. That is not a bad situation for the wealthy or the powerful unions which have the capacity of obtaining higher wages or better prices for commodities. However, for the old, the infirm or those on small, fixed wages it becomes an impossible situation. There is no question about it; we are going to be faced with this problem until a government of this country comes to grips with the question of restraint.

I want to suggest to the government one or two things they can do if they are sincere. They can tell the public the truth about what it costs to operate this country. It is impossible for even an intelligent person to examine the blue book on estimates and come up with any firm knowledge about what is intended. Over the last eight or nine years the number of votes in the estimates has increased. The language has become unintelligible. There are a great many \$1 items which provide for the expenditure of money by order in council or regulation about which we never get to find the facts.

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There has been foisted upon the taxpayers of this country a system by which moneys are taken out of their pockets in connection with estimates which in many cases we are unable to examine with any degree of clarity. Even if the estimates have been extended and made intelligible to us, there is no system available to parliament for conducting a reasonable examination of them to determine whether they involve the expenditure of money in which the country should be engaged. There is no system at all. There is a fixed calendar date on which estimates are deemed to have been passed. The main purpose of parliament, which is to refuse to grant supply until all grievances have been ventilated, has gone by the board. If