

The Budget—Mr. Givens

• (8:20 p.m.)

As my time is now up, I will conclude by saying I have been only able to raise four points. However, I would appreciate it if the thoughts I have expressed and the recommendations I have made receive the full study and understanding of the ministers involved because irrespective of the various parties in government or opposition, it is my strong belief that we are imbued with the desire to arrive at final decisions which will be in the best interests of our country.

Mr. Philip Givens (York West): Mr. Speaker, I find this matter of budgeting very exciting and interesting. I have had some budgetary experience. I was the budget chief in the city of Toronto. I keep reminding people here that city has a population larger than the population of seven of the provinces. It also has a larger budget than seven provinces.

In municipal financing, you must pay as you go. You have to be self-liquidating. You have no arsenal of weapons or tool-kit of gimmicks like the federal Minister of Finance (Mr. Benson). If you want to spend, you have to tax. You cannot spend the money without raising it in that year because you cannot borrow on a current account. You cannot have a deficit in a tough year and expect to pay it off in a good year because in municipal financing every year is tough.

As far as capital account is concerned, you cannot borrow money as freely as you would like in order to do the things you want. In the province of Ontario there is an Ontario Municipal Board and they have a ratio in which they work out a net debt to per capita assessment. They set up a formula which limits the municipality to a certain amount. There is a ten year projection which is a Procrustean bed within which they fit you. That is all you can do.

In Metro Toronto for a number of years we had a \$100 million limit on our borrowing. That is what enabled us to maintain our triple A rating in the money markets of the world. The Minister of Finance must be a combination of Mandrake the magician, the medicine man and a manipulator of money. I often have visions of the Minister of Finance on a Monday morning calling up the Governor of the Bank of Canada and saying, let's increase the bank rediscount rate today; then let's phone Allan Lambert, President of the Toronto-Dominion Bank, and give him hell for increasing the prime rate. However, these things cannot be done in municipal financing.

[Mr. Winch.]

What is the main problem which we have in this nation today? I think we are all agreed it is inflation. It is a dire threat which can lead to a catastrophe. Of what great moment is this matter of building higher skyscrapers if we are going to have runaway inflation, and our fixed income and low wage people go to the wall. The truth of the matter is that no one has all the answers on inflation or how to cure it. The Minister of Finance, who is an honest man, was honest enough in his speech to admit he does not know all the answers. Having listened to all of the opposition speeches that have been made today, I don't think they have all the answers either. Until we know what the final solution or answer is, we have to try all kinds of remedies.

I think the remedies proposed by the Minister of Finance in his budget speech are good. Incidentally, the main two proposals he made were suggested in the Carter Commission report. I have heard the members of the New Democratic Party on various occasions say that the Carter report is something they like. I wish to quote the suggestions made in the Carter report which are being implemented in this budget. One relates to the expansion of productive capacity. I quote:

If bottlenecks do occur, temporary specific measures should be used to restrict demand in these areas until productive capacity has increased, . . . What is needed, therefore, are good indicators of the degree of utilization of capacity in each geographic and industrial sector of the economy, reliable forecasts of the future changes in capacity and demand, methods of controlling aggregate demand that make it possible to vary the rate of expansion without stopping the expansion, and techniques for controlling demand in particular sectors of the economy when bottlenecks occur.

I wish to quote from another section dealing with tariffs:

For example, selective tariff cuts to inject more foreign competition where domestic competition has been unable to limit the wage price spiral might be of use in some circumstances.

That is exactly what is being implemented in this budget. The Minister of Finance was wise to build on these suggestions. Various members of the opposition have raised the bogey of discrimination. They have stated that this budget discriminates. It is meant to be discriminating. Perhaps a better word to use would be selective. This is probably a more proper word. The capital cost allowance deferral that is, the depreciation deferral, is only, a deferral. It is not a cancellation, or an elimination. It is not intended to cut down spending on building, but to divert building