

Government Spending

necessary courses, let alone on both. The government seems to be in the middle of the ocean and trying to build a boat at the same time. It seems to be so preoccupied with its dilemma that it has not got around to charting any evident course.

Speaking on my first point, that of the government setting an example by real restraint, let me make it clear at the outset that I am not simply talking about amounts being spent. Much of the problem created by the government results from the way in which money is spent. I think this area is a prime target if any attempt at restraint is intended to be meaningful. The government, clearly, has a record—and therefore a reputation—of getting little bang for the taxpayers' buck. Money somehow gets thrown around inefficiently and ineffectively. This is very evident in relation to DREE programs. This fact has always caused me a great deal of concern.

Mr. Chrétien: Tell us where you would make cuts.

Mr. Stanfield: Madam Speaker, if the minister will bear with me, we shall try to set him straight.

Mr. Chrétien: I want to set the tone of the debate.

Mr. Stanfield: The minister says he wants to set the tone.

Mr. Chrétien: Tell us where you would make cuts.

Mr. Stanfield: I want to talk for a moment about DREE, as large-scale funds are devoted to DREE programs. In all the years this government has tried to tackle the problem of regional disparity, it has never given us any coherent or consistent plan. There has not been any coherent plan within DREE itself. For example, DREE programs have not been co-ordinated with transportation policies. Frequently, one or several ministries of government do things which run counter to the purposes of DREE. That this is so is evident from the fiscal and monetary policies and programs this government has adopted from time to time.

I have always been concerned that the lack of effectiveness of DREE expenditures would weaken the willingness of those in the more prosperous parts of the country to continue supporting the high level of contributions being made to this kind of program. I became very concerned a few years ago when a minister formerly in charge of DREE said in the House that DREE could be defended as successful because the gap between the maritimes and Ontario had been narrowed—narrowed because the maritimes were still as they had been, in absolute terms, but the economy of Ontario had been depressed by the federal government's economic slowdown of 1969 and 1970.

Some hon. Members: Oh, oh!

Mr. Stanfield: I do not want to see the fight against regional disparity lessened one whit, but I do not want to see things go on as stupidly as they have. Particularly, I do not want to hear again any defence of DREE similar to defences made in the past. I believe we can put up a much better fight against regional disparity and get far better results from the proportion of the national pie we have devoted to programs like those of DREE. I want to see some examples of that, Madam Speaker, as I know it can

[Mr. Stanfield.]

be done. With regard to the impact of government activities, the white paper stated:

The government will ask each of its departments or agencies to assess the probable impact of their policies and programs on both short-term and long-term price trends.

It went on to say:

The government intends to reassess the costs to the private sector of many government rules and regulations in the context of their benefits to society at large.

On reading those statements, I must say that at first glance I was struck by the fact that the government was again handing out my cigars. In the 1974 campaign, the Progressive Conservative party, as part of our economic stabilization program, said that in government it would subject all programs to an inflation impact test. We also said we wanted to cut away a good deal of bureaucratic underbrush because realities required nothing less. While I am encouraged to see these words in the white paper, I am not at all sure that these promises are serious. I have good reason for doubt. This government, for example, still refuses—I want the President of the Treasury Board (Mr. Chrétien) to listen carefully—to submit the unemployment insurance program to any kind of independent inquiry.

Mr. Chrétien: We have submitted it to the House.

Mr. Stanfield: The minister says that the matter was submitted to the House. The government knows full well that the legislation presently before the House does not address itself in any fundamental way to the concerns about this program in terms of cost and productivity in the economy. I ask the President of the Treasury Board why a program which parliament was told would cost \$20 per capita annually for unemployment insurance, when unemployment was assumed to be at 6.5 per cent per annum, a few short years later costs \$200 per capita annually.

Mr. Baldwin: Shocking!

Mr. Stanfield: Why have we gone, in a few short years, from a cost figure of \$20 per capita to one of \$200 per capita, a figure ten times greater? That question, I think, must be answered. An independent inquiry is obviously the most honest and satisfactory way of getting an answer. We put forward proposals which would have resulted in significant economies, but these are no substitute for an independent inquiry and will not tell us why a program we were told would cost Canadians \$20 per capita is now costing \$200 per capita.

I want to make it clear that when I talk about an inquiry, I have no intention of implying a witch-hunt or simply a crackdown on abuses. Some administrative tightening up has already taken place, but more can be done along those lines. Leaving aside administration and control of abuses, I want to see an inquiry into unemployment insurance programs which will really get to the roots of the program and come up with concrete answers to a number of basic questions. One is, why is the program costing Canadians \$200 per capita per annum when we had been assured that it would cost about \$20 per capita? We have been seeking such an inquiry for more than two years. If the inquiry had been started when we wanted it, it would have been completed by now.