

Something is drastically wrong with our milk policy, when the successor to the Anti-Inflation Board can propose importing 135 million pounds of butter while cutting industrial milk production by one third. Something is drastically wrong with our quota system when Ontario must produce less industrial milk than it produces. Something is drastically wrong with this government when, instead of seeking ways to increase the prosperity of this industry, it argues that higher prices would, nevertheless, cut demand. The fact is that the milk industry is not treated by this government as an industry out of which wealth may come, but as an arm of policy. It suggests cutting its subsidies by \$130 million, even though the country as a whole will not be saving this amount, but instead will pay to import foreign butter. In other words, the present initiatives of the government in dairy policy are calculated to cut down on the visible spending of the government, whether the cutback benefits the country or not. The government wants to cut its spending even when it increases the country's costs.

● (2232)

Here again in dairy policy, then, Mr. Speaker, we have an example of confusion and of disregard for the economics of our vitally important agricultural sector. Years of milking the public have not taught the government's economists to milk a cow. You do not turn on production overnight, nor can you cut it off overnight without severely dislocating a heavily capitalized industry, and of course, cutting back milk production by a third certainly does not cut back a dairy producer's costs by one-third. It forces him to absorb fully the losses which subsidies are designed to cushion.

What benefits, one might ask, can the government expect from damaging the Ontario dairy industry? One is that it can get out of some subsidies it does not want to pay. Another is that Quebec can become an exporter of milk to Ontario, a consideration that might satisfy some policy requirements of this government that have nothing to do with producing wealth but a lot to do with maintaining the government's last bastion of voter support in the country.

So far, Mr. Speaker, I have been looking at how the government fails to support Canadian industries in the important agricultural sector as it attempts to cut its own spending and its losses with the public.

I want to now look at ways in which the government spends money, and again I want to employ an example with which it is my responsibility to be familiar. I refer to the government's public works spending, which has grown during the period of this present parliament to astronomical proportions. I want to refer in particular to the mushrooming of the government's office inventory in the national capital region. Again in pursuit of policy objectives which have nothing to do with saving the taxpayers' money, the government has singlehandedly and at one and the same time saddled future governments with enormous commitments of the taxpayers' money—much of it committed in rents to private developers—and handed the city of Ottawa, which has grown up as the service centre for the government, a crisis of yawning, empty office buildings.

The Budget—Mr. McKinley

Let us look very briefly at the pattern of spending this government has shown in its public works policies. In 1972, the Department of Public Works administered 42 million square feet of Crown-owned office space across Canada and 17 million square feet of leased space. It spent roughly \$100 million in 1971-72 on building construction and acquisition.

By 1976, it spent two and a half times that much on building construction—almost a quarter of a billion dollars in a single year. Its Crown-owned inventory grew by 25 per cent, while its inventory of leased space more than doubled.

Recently, the Department of Public Works has gone from a system of accounting for space in square feet to a system using square metres. The Minister of Public Works (Mr. Buchanan) told us in the House a while ago that he was an old-fashioned man who still had to multiply these metric figures by 11 to understand them. If we multiply the current figures by 11 and then knock off a bit so that we are more accurate than the minister, we find that the government inventory of space stood, at the beginning of this year, at 67 million square feet, while in 1972 it stood at only 58 million square feet. Accordingly, the total inventory increased by 9 million square feet, or about 15.5 per cent from 1972 to the beginning of 1978.

Now let us look at the jump since January of this year. It is a jump of over 20 million square feet in 10 months, or 30 per cent in this year alone. No wonder the government has gone metric during the last few months; the figures do not sound nearly as harmful when they are divided by 11. The government will say that this last figure of 30 per cent is unfair, that many projects have suddenly been added to their inventory this year that were in the planning and construction stages for several years. Allowing for the sudden addition of projects that have been several years in the works, we are left with an increase, since 1972, of over 50 per cent in the space administered by the Department of Public Works' accommodation program.

The cost of the program, then, has increased two and a half times since 1971 and the space administered has increased one and a half times. In the last three fiscal years, building construction and acquisition has totalled \$750 million, which is roughly half of the total cost of government accommodation in those years. Half the budget for accommodation goes simply on new building. How fast is this country supposed to be growing?

What are the benefits of this amazing program, Mr. Speaker? Have Canadians enjoyed so much better government that the boom in government building has been worth it? For that matter, have civil servants noticed a huge increase in their ability to serve the public?

Before I close I want to draw attention briefly to comments in the annual reports of the Department of Public Works for the years 1975-76 and 1976-77. In the first of these reports is the following comment:

The five-year accommodation plan was updated by PP&C (The program planning and co-ordination branch of the department) in January (1976) in the light of new federal constraints on public service growth and the implications of decentralization—