

*Anti-Inflation Program*

was very satisfying, that there was no problem and surely the world was unfolding as it should. And suddenly, only a few months after his resignation, we see the President of the Treasury Board, we see the Minister of Finance (Mr. Macdonald) and the right hon. Prime Minister (Mr. Trudeau) almost sounding the alarm in front of inflation and our financial situation in Canada.

Mr. Speaker, I always said in the House that this government was directed by "economist charlatans" who led us in the present situation. As long as this government will follow the advice of these economists, we shall go nowhere, we shall only go from debt to debt and deficit to deficit.

Tonight, Mr. Speaker, the President of the Treasury Board announced cuts in government spending of about \$1.5 billion and as the speakers before me suggested or explained, those cuts will apply primarily to hon. members when we had a legislation for those who deserved a salary increase according to the cost of living index, we had a legislation that would have given a gross income of \$600,000 to hon. members and a net income of about \$400,000. This government has just done away with any indexation for members—a net amount of \$400,000—in order to facilitate the acceptance of the cuts just announced for small earners. Mr. Speaker, children are the first hit by these cuts. The government just removed the indexation of family allowances. This will save them \$221 million, which means that the bulk of the savings made under the program announced tonight by the President of the Treasury Board will be obtained at the expense of our Canadian children. The unemployed will have their LIP projects cut, the indexation of Manpower training will be slashed by \$20 million. Our farmers, the number of which is steadily declining, will also be affected by a reduction on the Farm Credit Corporation budget. Subsidies to the OFY program will be cut by \$36 million, crop insurance by \$10 million.

Mr. Speaker, the group most affected by the announcement made this evening by the President of the Treasury Board are the children. They are not responsible for the current inflation rate or the government heavy spending. Alos hardest hit will be the unemployed, the young and the farmers.

● (2120)

And when I look for instance at the expenditures the government undertook to maintain at their current level, while slashes are made elsewhere, I see that over \$4 billion will continue to be paid to the financial nabobs, those who were empowered to extend credit to the government instead of the government doing it itself through its own bank, the Bank of Canada. In 1976, we will be giving more than \$4 billion in dividends for gratuities to the Canadian chartered banks.

[Mr. Rondeau.]

And yet, we have just read in the December 15, 1975 issue of *Maclean's* the following heading:

[English]

## THE BITTERSWEET SMELL OF SUCCESS

[Translation]

We thus learned that the profits of the four largest banks in Canada exceeded \$225 million in the period ending October 31, with profits averaging 55 per cent during their last fiscal year.

Mr. Speaker, the banking system made the highest profits in Canada last Year.

[English]

—the banks, profits are unreasonably high at a time when the federal government is applying profit controls to other industries. Because of their large volume of foreign business, the banks are specifically exempted from federal profit controls.)

[Translation]

Since banks are national and international institutions, they will not be affected by the profit control system to be implemented by the federal government. Yet, Mr. Speaker, according to our national estimates, we shall be paying out the tidy sum of \$4,350 million, and we shall have to keep on as good boys, good Canadians, helping foreigners before we help our Canadian children. We shall still be paying out \$1 billion to foreign or developing countries; \$1 billion, Mr. Speaker.

When I think that all members of this House are aware of the shameful waste in that area, Mr. Speaker, I cannot believe my eyes or my ears. One billion dollars will be spent under the item of external aid. Another \$1,507 million will go to National Defence which, in my opinion, is not worth a hang in Canada. Indeed, should a group of boy scouts decide tomorrow morning to take over Canada with makeshift means, our armed forces, with a budget of \$1,507 million, would be taken unaware.

Mr. Speaker, Air Canada will also be gratified with a tidy sum of \$302 million—no cutbacks—and the public service will again swindle some \$4,824,820,000. Mr. Speaker, I should like to quote again from the December 15 issue of *Maclean's*, on page 37, under the following heading:

[English]

## THE MONEY-WASTERS

... the unveiling of Montreal's new \$600-million Mirabel International Airport ...

All in all, the little weekend celebration racked up a price tag of more than \$500,000—including \$12,179 in hotel bills for 10 foreign ministers, \$48,840 worth of food and \$20,000 worth of booze ...

In the current fiscal year, federal spending will add up to \$31.3 billion—more than the combined budgets of all three levels of government in 1967.—Out of every \$100 spent on goods and services this year in Canada... governments will spend \$40. Government has now become one of the country's biggest and fastest growing industries.

This year more than 1.2 million Canadians—or one out of every eight in the work force—will collect their pay cheques from a federal, provincial or local level of government, at a staggering cost of more than \$10 billion in salaries. Of these, 332,230 are in the federal civil service, which will chalk up a payroll this year of \$4,824,880,000.