

Anti-Inflation Act

this year's degree of inflation, it would be hard to find a better starting place than the \$3 billion or more which the bank pumped into circulation during the last quarter of 1974 alone in a cynical exercise to ensure the success of the massive Canada Savings Bond program launched by the former minister of finance during that period.

If inflation is to be brought under control, increases in the money supply must, in my opinion, bear a closer resemblance to rates of growth in the economy. I would also remind the House that the government of the right hon. member for Mount Royal has set a record for living beyond its means while making unrealistic demands upon the economy. Under his administration, government spending increased from \$10 billion to service 20 million people in 1968—when the right hon. gentleman came to power—to more than \$35 billion to service some 22½ million Canadians in 1975-76. And the end is nowhere in sight.

According to the budget of June 23, expenditures are forecast to rise on a year to year basis by at least 11 per cent. The June forecast by the hon. member for Ottawa-Carleton of a \$3 billion budgetary deficit appears, now, to be too low, and off the record—we certainly cannot find out what the deficit will be from conversations on the record—it is being predicted as likely to be \$6 billion rather than \$3 billion as stated by the former minister of finance. I suspect, Mr. Speaker, that this was the real reason for his resigning from the cabinet: he could no longer face himself in the mirror in the morning and live the lie he had presented to the House of Commons.

In short, the government's appetite for spending has been boundless. It has been fed by ever-increasing tax returns from Canadian pockets and by continual heavy demands upon the capital markets of the country. As Conservatives, we have continually urged the government to show restraint in its own demands upon the economy and, more specifically, to limit increases in its spending to rates of real growth in the economy, all to no avail.

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There are at least two other basic differences between our approach as set forth in the 1974 campaign and the government's present program. First, there is the time period during which any controls program could hope to function without setting off serious new distortions within our economy. Because we realized that an incomes policy was designed essentially to break inflationary expectations and create a breathing space for other, more fundamental anti-inflation policies to be brought to bear, our undertaking was for a program of no more than 18 to 24 months. The present government bill C-73 seeks a program of three years' duration.

Mr. Stanfield: Or more.

Mr. Crouse: As my leader says, or more. There is a further provision in the bill for extensions even beyond that period. In other words, this is an open-ended bill. As I have already noted, controls can have a distorting effect upon the economy, and the longer the economy is in a strait-jacket the sharper and deeper the distortions are likely to become. But even beyond that, I seriously question whether Canadians generally are prepared to grant the federal government, especially this federal govern-

[Mr. Crouse.]

ment, on an open-ended basis the kind of sweeping, centralized powers represented in Bill C-73. The exercise of this kind of power over such a long period of time raises questions well beyond that of economic distortion. In fact, it raises the issue of a very fundamental change in the balance of decision-making power within our free market system.

A second difference between the two approaches lies with the way in which one could and should lead into such a program. We advocated, as an initial step, an across the board freeze period of up to 90 days so that the government could sit down with the major interest groups involved and work out answers to the host of questions which arise in any incomes policy. Without the freeze, the present government is left to sort out the ground rules while groups and individuals scamper to assert their special interests within the program.

Within the last few days we have already seen ample evidence of the kind of confusion and exaggerated inequities that result from this government's lack of any orderly introductory period. I predict this situation will develop and grow worse in the months ahead. I make this unfortunate prediction, but I submit this might well happen. At the very least, the bill should be amended in a way that requires the government to return to parliament for renewed powers after a much shorter time period. It should then justify its need for any extension and then obtain formal parliamentary approval to carry on the program for a further period if this action is warranted at that time. We must be very careful about giving away all of our freedom through legislation such as this. It is for this reason that I make this suggestion.

Beyond the question of an effective time period there is also the question of parliamentary accountability during the period that the program is in effect. At the present time, as I read the bill—and I have read it very carefully a number of times—there is no provision for any kind of comprehensive reporting to parliament on the over-all record of the program, and no built-in opportunity for parliament, through one of its committees, to receive and scrutinize regular reports from the agencies established in the bill.

Considering the massive powers involved—and they are massive—I, personally, believe that some process of accountability is not only essential but mandatory. Any process such as this which places massive discretionary powers in the hands of administrative agencies obviously requires a comprehensive appeals procedure in order to safeguard the public against the abuse of such powers. The present bill proposes such an elaborate and complicated procedure that decisions may well be tied up for months in one appeal after another. Justice delayed is, indeed, justice denied—a situation that could well face thousands of Canadians under the government's proposed controls program.

The cause of the entire economic situation which presently faces Canadians is spelled out by the government in its 1975-76 booklet "How Your Tax Dollar is Spent". Chapter 1 tells us that the 1975-76 main estimates propose budgetary expenditures of \$28.2 billion. This is \$6.2 billion, or—I emphasize this figure—28 per cent more than the 1974-75 main estimates. This booklet is available to all, Mr.