

This is a perfect example of the kind of fat in federal government spending that we are trying to cut. By actually encouraging this kind of spending, which was neither needed nor requested, the so-called spending restraint program has permanently damaged its credibility.

Rough justice, as the Prime Minister put it, should fall equitably on all segments of society, including the present administration. What has to be addressed frontally is the problem of growth in the economy. Severe restraints should not be imposed for any great length of time on a faltering economy. We should not be arguing about sharing a shrinking pie; we should be suggesting that the pie could be enlarged.

Immediate action must be taken to increase the export of our goods. We may not be able to blast our way into the world markets, but surely imaginative leadership can improve our position. Naturally, improvements must be seen in our productivity at the same time. This can best be accomplished by incentives. Most people will improve their output when the certainty of greater reward is there. This is the exact antithesis of being told that your reward will be limited to an increase of 2 per cent for productivity.

So there will be no confusion let me restate what I have been saying. Yes, restraint and regulations are fact; they are necessary. We said that in 1974. But there are two very important differences between what we proposed and what the present administration belatedly enacted.

First, we would have imposed a 60 to 90-day total freeze. By this we would have gained two very important advantages: we would have avoided all the confusion that is rampant today where one group is allowed more, and another less, and we would have had the time to examine the economy in its frozen state with much more clarity than is possible today.

Secondly, and more important, our program would have been limited to 18 months at the most. It was not the open-ended strait-jacket envisioned or at least threatened by the leader of the Liberal party. Our goal would have been to resolve basic inequities within 18 months in order to stabilize the economy. We would have gone on from there to offer incentives and positive government support to make the economy grow.

In Bill C-89 there are certain important clauses we should consider and question at the committee sessions, if this bill reaches committee. As the Minister of Finance indicated when he was dealing with the bill, clause 2 covers indirectly the extension of the control program to cover such industries as construction, trucking, and shipping. In clause 2 there is a specific exemption in respect of construction companies in the province of Quebec.

Dealing with this, I would suggest we should first ask ourselves: is the control program getting out of hand? You will recall initially on October 14, when the minister first outlined his program, he stated there would be about 1,500 firms that would actually be involved or controlled under the program. It was also stated at that time that the total complement for Anti-Inflation Board would be about 200 civil servants. We now find that the control program is to be extended to cover some 20,000 firms. When checking today with an Anti-Inflation Board employee we were unable to identify the total complement they have on staff,

Anti-Inflation Act

but the chap I spoke with said it is at least 400, and possibly 500 employees.

When we are dealing with clause 2 I think it is important that we question why it was felt desirable to extend these controls to cover all construction firms in the nation with the exception of those in Quebec, and why it was considered desirable to make that extension, covering even those construction firms including two-man companies. Think of all the red tape to which this will subject those companies.

When I read the letter addressed by Mrs. Beryl Plumtre to the Minister of Finance setting out the reasoning for this extension I found it most unsatisfactory, because the general impression I was left with is that the cabinet turned to the board, which it had the right to do under Bill C-73, and asked the board to consider whether these five industries should be included under its control program or its administration. For no apparent reason, and certainly no strong one, the board came back, and I guess it is not surprising, saying yes, all five should be in its net. What a typical example of growth of bureaucracy. The tentacles go out to cover thousands more never intended to be covered the last time this measure was debated in the House.

Not only do I point that out, by coincidence, we received a press release in our offices not too long ago from the Anti-Inflation Board which makes reference to the source of the complaints the board is receiving. I would recommend that members take a look at it because they will find that the number of complaints that can be related to the construction industry are comparatively low. The number of complaints related to the transportation industry in total is 1.8 per cent, which includes rail and ships. Yet for no apparent reason the government says that virtually the whole industry should be in the net at the present time. This is the type of question I believe we must raise before we pass this bill.

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I think the Minister of Finance must give us much more concrete reason for feeling some of the approaches that have been taken to date are justified. The Minister of Finance referred to the appeal provisions which have been included and the fact that the administrator will be given changed powers and in some manner more orderly powers than he had under Bill C-73. But again I think a great deal more explanation should be coming forward before we are expected to pass the final reading and the legislation.

In clause 8 there is a provision not to allow members of the Tax Review Board to sit on the appeal tribunal hearing the anti-inflation cases. I think there should be some explanation why this has been found necessary. Is there a possible conflict here? Is it right to have this anti-inflationary aspect of this program so interrelated with the actual taxation side of our administration? As you probably know, Mr. Speaker, the estimates in respect of the administrator himself, for no apparent reason—certainly an explanation could not be given at the hearings of the Finance committee—have been placed under the Minister of National Revenue (Mr. Cullen). Why? What is the link between the administrator in respect of the anti-inflationary program and our Income Tax Act? Perhaps at the