

Distribution of Goods and Services

government expenditures? This is the difficulty. The government is taxing the people of Canada more heavily because of its reckless spending. We experienced in the first quarter of this year an increase in the cost of living of more than half the average over the past few years.

I refer now to the quarterly report of the Bank of Canada. I am sure my hon. friends in the Cr ditiste party consider a publication of the Bank of Canada tantamount to one of the books of the Bible, because to them the Bank of Canada is the cure-all for all our ills. I ask hon. members to my left to study this report of last April, especially page 306. There one sees what has happened with regard to inflation. Let us talk about those people on low incomes, fixed incomes, small pensions and those with limited savings. How have these people been affected since 1963, which I suppose was a banner year in Canadian history in so far as the government is concerned because that is the year in which they assumed office.

On the basis of the readjusted statistics the total index was 103 in 1963. This was an increase from 100 in 1961, the last year. The best year was 1963 with a total index of 103. By the month of March, 1969, the total index had risen to 123.2. In other words, there had been a loss of a further 20 cents. A person with a monthly pension of \$100, on the basis of an annuity, now finds he can purchase less than \$80 worth of goods and services compared with the purchasing power of \$100 in 1961. This is the problem that lies at the root of the motion we are considering. This is where the blame should be laid. It is not a question of distribution; it is a question of controlling inflation and expenditures.

I could discuss this subject at length, Mr. Speaker, but my time is limited. I believe the government should concentrate more on productivity. The hon. member for T miskamingue says that we should not worry about productivity. Why not? The greater our productivity, the lower the cost per unit, and the greater the opportunity for sales and the greater the opportunity for individuals to earn more money. With regard to inflation, there must be at all times that climate that will maintain economic growth and there must be in the public sector a reduction of the percentage take of the gross national product. I now refer to Chapter 1 of *The National Finances 1968-69*. This chapter reads in part:

On a national accounts basis, receipts of all governments exceeded their expenditures in cal-

[Mr. Lambert (Edmonton West).]

endar 1967. The Canada and Quebec Pension Plans were responsible for maintaining an overall surplus position of \$157 million, about \$190 million below the 1966 surplus of \$348 million. Excluding the \$386 million of collections for these plans, all governments had a deficit in 1967 of \$729 million. Including Canada and Quebec Pension Plans total receipts were \$21.3 billion while disbursements were \$21.2 billion. On the income side this amounted to some 34.4 per cent of GNP—about 1.6 percentage points above the previous year—while on the expenditure side it was 34.1 per cent of GNP or 1.9 percentage points greater than 1966.

[Translation]

The Acting Speaker (Mr. B chard): Order. I regret to interrupt the hon. member, but his time has expired.

An hon. Member: Go on.

Mr. Lambert (Edmonton West): Could I have a few more minutes Mr. Speaker?

The Acting Speaker (Mr. B chard): Is there unanimous consent to let the hon. member continue his speech?

Some hon. Members: Agreed.

The Acting Speaker (Mr. B chard): The hon. member for Edmonton West.

Mr. Lambert (Edmonton West): I thank you, Mr. Speaker, as well as my colleagues in this house.

[English]

The federal government's share of total tax revenue in 1967 declined to 53 per cent as did non-tax revenue, which fell to 36 per cent. The federal share of total revenue was 50 per cent, contrasted with 52 per cent in 1966. Its expenditure on goods and services amounted to over 34 per cent of total government outlays for these items and its proportion of the transfer and subsidy payment total was 53 per cent. Federal government spending (excluding intergovernmental payments) accounted for about 42 per cent of overall government expenditure. The provinces and the municipalities split the balance 32 per cent-26 per cent.

Therein lies the key. Federal government spending, excluding intergovernmental payments, accounted for a little over 40 per cent of over-all government expenditure and the other two levels of government accounted for a little less than 60 per cent. But their proportion is increasing. In my opinion it is not only a question of the federal government taking the necessary action in order to ensure that there is a climate conducive to the maintenance and expansion of economic growth. It behooves all levels of government to reduce their percentage of the take of the gross national product so that individuals may save and may be able to invest and