

government spending. If we are going to start somewhere, this research document is perhaps one of the best. It has been produced by an independent organization, not by the Department of Finance which even to this day, or the day when indexing of salaries is demanded, has not produced one definitive study on indexing. It is just as well we have the C. D. Howe Research Institute. It is a beneficial inheritance from the work of that great Canadian. The categories included within controllable spending which the government has a duty to look at, which it has not done, are capital spending, Crown corporation deficits, foreign aid and all other discretionary programs. Perhaps for the first time we ought not merely to look at the dollars involved in those expenditures but at the value of them. That has not been done in this country; there is no over-all cost auditing in terms of these kinds of programs.

This amendment which I had the honour to second indicates to the government that the opposition believes far too much of the average Canadian's hard earned dollar is being siphoned off and put into programs many of which are questionable. I defy the government to vote against this amendment. I defy the Minister of Finance to stand in this House and say to the people of Canada that he is against this tax reduction.

Mr. Nowlan: He is against restraint.

Mr. Baker (Grenville-Carleton): The hon. member for Annapolis Valley (Mr. Nowlan) says the minister is against restraint. I sometimes wonder where the minister stands, in view of his famous speech to the Canadian Club in Toronto.

An hon. Member: To his buddies.

Mr. Baker (Grenville-Carleton): I do not know whether his buddies were there. When talking to labour, the minister said that labour was the main thrust behind the inflationary cycle. This is a marvellous speech to read. I quote from page 8 of the text:

Now the major driving force is coming from the rapid escalation of wage and salary costs as those who work in every country press for increased incomes to at least keep pace with the rising cost of living.

Notice, he did not talk about the rapacious appetite of government. I am afraid the Minister of Finance is responsible for that one himself. The next day the president of the Canadian Labour Congress said to the minister that he questioned whether that was the case. I do not think he said it as kindly as I am saying it. What happened then? This resolute, strong, firm Minister of Finance drew back and said that wages, salaries and income were not the main causes of inflation. I do not know what are the causes. I do not think the Minister of Finance knows either, or he would look me in the eye. You cannot talk out of both sides of your mouth at the same time. That is what the minister is doing.

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): I can always tell when they are waking up over there. Then we have the minister's cohort, the Minister of Industry, Trade and Commerce (Mr. Gillespie), speaking to the Canadian Manufacturers' Association on January 30, 1975. His head probably

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occupied the same pillow during the course of that discussion. He said:

—profits seldom contribute unreasonably to price levels.

Mr. Hees: What apple-polishing!

Mr. Baker (Grenville-Carleton): Apple-polishing is right. He also said:

Even expressed as a percentage of sales, profits seldom impact significantly on price levels.

If it is not wages and salaries, and if it is not profits, what is putting us in this position?

Mr. Stanfield: Maybe it's the weather.

Mr. Baker (Grenville-Carleton): My leader says it may be the weather. We are in this position because of the Minister of Finance and his colleagues who with their programs, many of which are of questionable value, are demanding more and more from the Canadian public: that is where the problem lies, and the minister knows it. All Canadians are beginning to know it. What do we have to do about this situation? The government should remember that in the public service there are many capable people.

An hon. Member: Name them.

Mr. Baker (Grenville-Carleton): The hon. member asks me to name them. Some of our most competent public servants were recently forced out of the public service by the actions of the Prime Minister (Mr. Trudeau) who brought in his friend Micheal Pitfield. As a result, we have a public service in this country which has now been politicized at the top; it is now basically responsive to the Prime Minister.

An hon. Member: It is part of the presidential system.

Mr. Baker (Grenville-Carleton): Whether that is coming close or not, I do not know. I suggest that the automobile which the Prime Minister drives rivals anything that President Ford may have.

An hon. Member: It is not a Ford; it is a Cadillac.

Mr. Baker (Grenville-Carleton): What has happened to the public service of this country? As a result of the appointment of that man Pitfield, a very high-class competent public servant has been driven out of the public service. I refer to Simon Reisman. In order to ensure that the Department of Finance is limited with respect to its function in the sphere of things in this government, not only was the deputy minister driven out but the group of seven was pulled into the Prime Minister's office. This was done to ensure that these \$100 a day men—it used to be a dollar a year, as I recall it—are around the Prime Minister and that this minister and his public servants are bypassed.

● (1610)

Mr. Paproski: Shame.

Mr. Baker (Grenville-Carleton): I feel sorry for the Minister of Finance. He represents the constituency next to my own. I think he would really like to restrain his colleagues, but, like a couple of other ministers of the