

The Budget—Mr. Andras

day, we consulted. We said that there should be some kind of offset to the reduction of revenue inherent in those tax cuts to the federal treasury. The \$1.147 billion of retail tax cuts plus the research and development tax cut and the tertiary oil and railway development tax cuts will end up costing in revenue to the federal government about \$900 million.

Everybody knows we have a deficit and that we are concerned about it, and, of course, the provinces are sharing in that over-all tax reduction. However, for those who might have been concerned about the result and the effect on our cash requirements this year of that \$900 million federal investment in tax reductions, the arithmetic is that with the \$200 million under-spending for 1977-78 which I was able to announce, and with the commitment to cut another \$350 million off our spending total for 1978-79, we will have offset that \$900 million revenue reduction by a \$550 million expenditure reduction. That means that there might be a net increase in our deficit as a result of the budget measures the other night of about \$350 million. That \$350 million will result in the stimulation of consumer demand.

There will be a \$1.147 billion retail sales tax reduction, and there will be another \$100 million in other structural tax encouragement for corporations. I think it was an eminently responsible budget. We recognized the limitations in our fiscal situation by virtue of high cash requirements, and we offset those to the maximum by about \$550 million. I can assure hon. members that that \$350 million expenditure reduction to which we are committed will be met, and I submit the track record of 1976-77 and 1977-78 as evidence that when we make that commitment we will make that expenditure reduction.

Some hon. Members: Hear, hear!

Mr. Andras: As we do that we are reducing the reserve for supplementary estimates, which I detailed when I presented the main estimates on February 22, by that \$350 million. I am not going to say that this will be an easy job for the government. I know from the experience of a year and a half in my present portfolio that it will not be easy for me.

We will have to deny submissions for new programs. We will have to cut back in some other programs. That will be difficult. Just saying, as the opposition does, that if it had the reins of power it would cut expenditures by \$2 billion just like that, will not deceive the Canadian public. The Canadian public will not be deceived by that kind of nonsense. I would like very much to hear from what level the opposition would cut, and precisely where. We have been doing it. I would like to know what programs the opposition would attack. Whose ox are they going to gore? It is not an easy job.

Members of the opposition say that if they had power, they would cut taxes by \$2 billion in addition to the \$4.497 billion which I have delineated. They would cut expenditures by \$2 billion just like that, but they really do not know what they are talking about. They have left no precision on the record as to where the money would come from or how they would do it.

My time is limited. There are one or two corrections I want to make. I want to correct some of the rather loose things the

[Mr. Andras.]

hon. member for York-Simcoe (Mr. Stevens) threw around the other day. He claimed that instead of the expenditure reduction I am telling the House we are accomplishing, our expenditures for 1977-78 were more than \$1 billion more than had been forecast in the budget speech of March 31, 1977. I have already dealt with that. I will forgive the hon. member by saying that he probably took the wrong line from the book. Whether that was convenience or not, I do not know, but it was the wrong line, and therefore a distortion of the facts when the hon. member said that total spending was up.

I will forgive him for that, but there was another rather puzzling set of figures the hon. member used when he attacked the government for growth in the number in the federal public service. He said that in 1968 when the Prime Minister (Mr. Trudeau) came to power there were 280,000 people in the total federal public service and that, as of the end of 1977, that number had grown to 580,000.

When the hon. member gave a figure for the base year 1968, he quoted the figure 280,000, conveniently leaving out the Armed Forces and all employees of Crown corporations. If he had included those employees, the base figure would have been 470,000. He conveniently left those employees out of the base year figure, but somehow they all turned up in the figure for the comparative year of 1977, 580,000. I am not sure whether that was because of poor research or because of absolutely blatant chicanery.

Mr. Cullen: The latter.

Mr. Andras: Again I will say that the hon. member probably took the wrong page or the wrong line, but he should not make statements like that and expect to be believed in everything else he says. It is curious that his errors are always in the wrong direction.

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We are achieving restraint in the growth of the federal public service. We have chosen, in the expenditure pattern and those kinds of things, to do it on a responsible, gradual basis, because we want to direct it downward. We do not want to take Draconian measures today which could have a very serious impact on the economy later.

There is a tendency in these debates to throw statistics around. I did it because I felt I had to correct some of the very, very bad information that has been put out in this debate by members opposite.

I want to wind up my remarks, Mr. Speaker, with this point. Nobody realistically would say that in this country we are making economic progress. Nobody is saying that and nobody is failing to recognize, except in the heat of rhetorical debate and political opportunism, that many of the problems we have in this country are absolutely, correctly, and factually shared in most of the western world. We share those problems, and there is no amount of bombastic rhetoric that will convince people that we can isolate our situation from that in the rest of the world.