

The Economy

nature, establish program financing, for instance. Again, I am not arguing with the merits of the particular programs. I am talking about the totality and buildup of this situation.

Certainly the federal government, and to a degree parliamentarians on all sides of this House receive criticism of the federal government expenditures. But the fact is that the 23 per cent right off the top, which we just pass through to the provinces, which they spend, and which we have collected for them. That is not recognized generally, Mr. Speaker.

In recent years I have often wondered if it is not at least better for the Canadian people to have a much clearer picture of that distribution of transfers. Of course another sizeable portion of our expenditures is transfers to persons. So when you add transfers to persons and transfers to provinces, you have absorbed approximately 50 per cent of the federal government's expenditures. What is left is what we call operations of government. I will show you the figures at any time, or I can elaborate on them in more detail in committee. They have not really grown that much.

An interesting fact I observed in analysing certain facts the other day is that we are all conscious of the growth of the size of the public service. Indeed, during the last two or three years we have been taking very definite measures to restrain and control that. The first year, and I think the hon. member for Winnipeg South—

Mr. Knowles (Winnipeg North Centre): Winnipeg North.

Mr. Andras: North, thank you. He talked about this exponential growth particularly in the senior management category. He did quote some figures that were close to being accurate anyway. He mentioned that for some years the totality of our man year growth was around 3 or 4 percent. But starting in 1976 we committed ourselves to constrain it to 1½ per cent, and we came in at just above one per cent. Last year, and I can assure you, and I will be tabling estimates later this month, for next year we will be continuing that restraint to about one half of one per cent growth. We will be taking quite drastic measures with the senior management complement.

The contract bit is a myth which the opposition members have been running through the rhetorical mill for four or five years, some of them knowing very well how fallacious it is, and I will be very glad to deal with that when I table the estimates later this month.

Flexible budgeting—who can argue? The priorities of any party in government will have to change from time to time. If you have the rigidity of precommitment to the degree which I have tried to describe to you, 57 per cent on established programs, indexed in the main, and another long term sizeable portion of any expenditure ceiling committed to contractual obligations, then I agree we need more flexibility. It means we need to have the guts in all parts of this House to look at some of those established programs. There is no other way to get flexibility than by looking at those kinds of decisions. I have not heard from the opposition the selective programs which they would be prepared to cut.

● (1652)

It is a strange pattern to listen to all this talk from the Leader of the Opposition about over-expenditures, waste, where we should cut back and all the rest. As reported at page 2251 of *Hansard*, he took exactly the opposite line. The implication of what he said to the Minister of Employment and Immigration (Mr. Cullen) was that because there had been a brutal tightening up of unemployment insurance benefits, we should in turn send that money to the municipalities for welfare. In that narrow context, I cannot see his argument. The end point was that unemployment insurance benefits should not be cut back or welfare payments should be increased. Either one of those would involve more expenditure.

Mr. Clark: Mr. Speaker, I rise on a point of order. I am sure the minister is not deliberately distorting either the language or the purport of what I said. I do not have the question in front of me as he does. He will recall that the questions to his colleague had to do with discussions that that colleague might enter into with the provinces and municipalities which were being victimized by the failure of this government to generate jobs, in part because this government over the past ten years of which the minister has been speaking entrapped itself into such heavy expenditures that it does not have the fiscal flexibility to do those things which ought to be done. I am sure he will want the record set straight.

Mr. Andras: Mr. Speaker, before this becomes a debate on what the Leader of the Opposition may have intended or an interpretation of what he said, I will leave it to him to examine it. It is page 2251 of *Hansard*. I say, with all sincerity, that clearly the intent comes to me that he was implying that you should not tighten up unemployment insurance or you should give the money to municipalities in terms of welfare. Let me get away from the partisan comment on it.

I am illustrating the difficulty of talking about general control, adjustment, more flexibility, and changing of priorities. That can mean only one thing. You have to cut back in some areas. It certainly is not as easy as members opposite try to make out. You do not follow the totally impractical suggestion of the hon. member for Don Valley (Mr. Gillies) of firing 60,000 public servants in one fell swoop.

Mr. Baker (Grenville-Carleton): He did not say that.

Mr. Andras: He was quoted as saying it.

Mr. Baker (Grenville-Carleton): He did not say it.

Mr. Andras: We often suffer from that kind of thing.

Mr. Baker (Grenville-Carleton): You should not do it in the House.

Mr. Andras: To be accused of that by the opposition is most interesting indeed.

I regret that I probably will not be able to hear every comment of every member speaking in this debate. I assure hon. members that the general theme and thrust of it is very