

*Anti-Inflation Act*

trolled by the laws of this parliament. There is no possibility that I can touch them, because all parties have voted for them. Very seldom have measures like OIS and GIS been voted against by hon. members. How many hon. members have voted against fiscal transfers to the provinces? How many have voted, for example, against family allowances, which cost \$2 billion?

● (1640)

How many hon. members voted against hospital care? How many would like us to cut those services? How many would like to put an end to the unemployment insurance scheme which today is costing the government a lot of money? I could go on and recite a long list, but I will not go into details. However, the majority of the government's budget is controlled by these kinds of programs.

Let me take, as another example, national defence. This year we are spending \$2.7 billion. The number of requests received by the Minister of National Defence (Mr. Richardson) from all parts of Canada today to increase this budget is unbelievable. I think there are good arguments for doing this, but in the present context it is difficult to do so. Then there are payments which are very important to the economy today and which we did not have to make a few years ago. There is the scheme to compensate people east of the Ottawa Valley for the increase in the price of imported oil.

**Mr. Stanfield:** You get a little tax from the exports, don't you, Jean?

**Mr. Chrétien:** I am dealing with expenditures. When hon. members refer to the expenditures of the government, they do not mention the tax revenue we receive from the Americans. This is why I am explaining the situation. When hon. members appear to be frustrated and shattered by the expenditures of the government, these aspects deserve mention.

The point I am trying to make is this. I should like hon. members to make suggestions. We had a debate on this matter in July; it was a lot of fun, not at all dull. I remember that my good friend from Edmonton Centre (Mr. Paproski) referred in that debate to Information Canada; it was the only organization he identified. We have a budget of \$35 billion, and if we were to cut Information Canada tomorrow our maximum saving would be something like \$4 million to \$5 million. So it would make no sense. My professor of mathematics used to tell me that although five million is big, there are a thousand million in a billion. In other words, there must be a relationship between the two. I should like hon. members to make suggestions.

**Mr. Stanfield:** You are the government. How big is this deficit to be?

**Mr. Chrétien:** We are defending the policy of the government. We are not running away from our responsibilities. What annoys me is the people who vote for all these programs I have mentioned and who do not have the guts now to admit they made a mistake. There is no shame in that admission. I am not in a comfortable position in talking about expenditures, because I am caught between one party which says I am not spending enough, and the hon. member for Winnipeg North Centre (Mr. Knowles)

[Mr. Chrétien.]

who says I am. The Leader of the Opposition himself has sometimes called me Dr. Scrooge, but I am doing my best. It is difficult, but fun.

**Mr. Stanfield:** I do not think the government's deficit is fun at all. How big will it be?

**Mr. Chrétien:** If the deficit is big, we will borrow the money to pay for it. We have done this in the past. We operate the business of government in a very Liberal way; we do not go to the extremes of the NDP or to the extremes of the far right. We are trying to develop a policy that is acceptable to the majority of Canadians.

I think this program is a well balanced one. We have decided not to have too much bureaucracy. During the two years before I became President of the Treasury Board there was—I have to recognize this—an increase in the bureaucracy of almost 7 per cent a year. Then I started to reduce it, the first year to 4.1 per cent and then in June by another point to 3.1 per cent. Next year's program calls for an increase in the civil service of only 1.5 per cent. When this policy is put into place, the majority of government departments will have to live with the same number of people that they have this year. Many vacant jobs will remain unfilled so as to achieve that goal. This will not be easy.

Some departments are calling for the provision of more services. In the present context it will be very difficult not to permit the RCMP to have less men than they want, which is more than last year. In addition, we need more penitentiary guards, and the Department of National Revenue requires more staff. Our population is growing and the people are asking for additional services. There will be a few hundred additional civil servants employed to run the anti-inflation program, but relatively speaking the situation will be much tighter than it has been for a long time.

**Mr. Stanfield:** It is out of control, Jean.

**Mr. Chrétien:** It is not. If the hon. gentleman says it is out of control at 1.5 per cent, then I do not know what is in control.

**Mr. Stanfield:** I mean your deficit is out of control.

**Mr. Chrétien:** I do not think so. If it was, then I think we would have problems which, happily, we do not have at the present time. The hon. member knows that as well as I do. We have decided to try to control the expenditures of every department; that is apparent in the white paper of the Minister of Finance (Mr. Macdonald).

**Mr. Coates:** A whitewash paper.

**Mr. Chrétien:** I do not know what the hon. members means by "whitewash", but if we were to whitewash inflation, then things would be all right. Because nous pourrions laver l'inflation, et nous serions heureux. We will try to control expenditures even more, but I know it will not be easy. We have given an indication in the white paper of what we are trying to do.

I cannot say there will be no increase in expenditure next year; that is impossible. This parliament has made it impossible by indexing family allowances and old age pensions and by establishing the oil compensation pro-