

sis on continued growth. Our economy will benefit by the strengthening of related economies, but we must not wait too long or rely too heavily on other countries. We must continue to try to make voluntary restraints work with the co-operation of all sectors, with government setting a solid example, but certainly not mandatory controls. Those we leave to the Tories. We must keep our productivity and labour costs competitive, and therefore we must find better ways of collective bargaining so that we will have fewer strikes, less lost time, and less disruption of services, especially in the mail and in transportation like Air Canada. We must maintain good working relationships between all levels of government, particularly with regard to the effects on business, and especially the effects on the resource industries. We must stimulate and support the housing industry. And above all, governments must create a favourable climate in which Canadian business can thrive, both at home and in foreign trade.

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These are of course all technical, economic positions, and to work they must take place within the framework of a stable society, stable at the work place and stable in the general community.

I believe that by introducing this budget in the summer of 1975 the Minister of Finance and the Liberal government have shown they are on the right track. We have witnessed more frequent federal budgets in recent times, and there is nothing wrong with that. As circumstances change more quickly, so should our responses.

The Minister stated that the government has chosen to create the climate and set the example to meet the problems before the country. It has set a \$1 billion target of budget economies to provide a lead in the exercise of restraint. It is taking measures to establish strict control over its current activities and programs, to reduce their growth over the long run. We all hail this initiative, this courageous statesmanship. However, the government could do no less at this time and, depending on the response of the economy, it should not hesitate to do more along these lines.

He also stated that selective measures will be taken to create jobs, assist housing, and sustain business investment, but without increasing the over-all expansionary thrust of government policies. He is on the right track here too, as long as this means doing as much as possible through private free enterprise and not increasing government expansion and involvement.

The savings of \$1 billion in government spending—and hopefully more later, if necessary—must be absolute savings, not savings shunted quietly to other areas of government spending, and not on a larger total budget. There must be true, tough restraint of government spending. The minister has designated four areas of saving.

First, almost \$1 billion will be cut from non-statutory areas. While protecting Canadian ownership and control of vital areas—areas such as natural resources, which will be helped through Petro-Canada—and while helping to build our long-term economy by using the departments of Industry, Trade and Commerce and External Affairs, we can do more for less, by increasing the flexibility of government's role and by asking Canadian businesses, "How

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do you think we should help you?" We can cut expenses on capital expenditures, which is wise; and introduce efficiencies in operating expenditures. The minister has made a good start here with cuts in consultants' fees and travel costs.

Second, and equally important to people I talk to, growth of the civil service will be controlled. The total salary budget will be reduced by 1 per cent next year. In fact the growth in the salary budget and the numbers of civil servants should be no greater than the annual change in the gross national product, and preferably less. There must be no discrimination against any group of workers, including civil servants, nor should there be favouritism. The public feels strongly that if pay and benefits in the civil service are to be comparable with the private sector, so should performance. "Shape up or ship out," the people say. Traditionally job security has been the attraction, not money. Governments could not and would not fire people, not even the worst, but no one can have it both ways. Canadians want a lean, dynamic civil service in keeping with the times. So, I believe, does the Liberal government.

Third, there are to be cuts in hospital and medical care costs, an area to which I have long been exposed as a physician. These costs have escalated out of all proportion, to the point of bringing diminishing returns on our investment. It is sadly ironic that this should be so, as Canadians are among the healthiest and best cared for people in the world.

The Minister of National Health and Welfare (Mr. Lalonde), speaking for the government, has introduced a valuable, necessary, and less expensive approach to positive health, as set out in "New Perspectives on Health for Canadians." The approach is based on physical fitness and sensible life style. Still, the traditional and more expensive practice persists, the practice of treating disease after the fact with professional personnel and hospital-like institutions. The public and the provinces must respond to these new initiatives if costs in this costly area are to be controlled. Budget ceilings are a harsh but last-ditch measure.

Fourth, and finally, the public has demanded the tightening of unemployment insurance payments. It wants new regulations to eliminate abuses, while affording those in genuine need the help they deserve. A responsible society and government can do no less in the interests of both its economy and moral fibre.

Those are my main comments on the actual budget, Mr. Speaker.

Measures to create jobs are essential, of course. Jobs will be created in many different ways. The increases in the price of oil and gas, while unpopular with some people, will be accepted by most as realistic—

**Mr. Rondeau:** How do you know?

**Mr. Philbrook:**—especially if supplies are thus protected and new sources developed in the process. How do I know? I know because the Canadian people are realistic and gutsy.

At home, Canada must put her own house in order. In doing so we may need to protect ourselves from certain