

*Anti-Inflation Act*

had allocated for, it would have been only 1.4 per cent more in our budget and it would not have been a disaster for us. But it would have meant passing the problem to the other sector of the economy.

Because of this position of responsibility by the federal government, we have taken five strikes. We are entering a sixth one today, because we do not want to become the leaders in the society. I think the offer made to the postal workers is a very fair one, comparable to that accepted by the groups which signed a contract in the spring while the guidelines were not in force. Of course, it was normal for us to make that offer. It was not, as the hon. member for Athabasca (Mr. Yewchuk) said, because ministers are fighting about it. It is written in the guidelines. Their contract had expired before 1974. This applies to any other contract in the same position across the land. So it was not due to internal fights. We are not Tories; we are Liberals. We stick together when times are difficult. It is not a question of one trying to protect the other. It is written in the white paper which we have tabled in the House.

In my view, contrary to what the hon. member for Athabasca was saying, the situation is deteriorating every day. I hope it will stop. With this psychology of inflation, everyone went ahead in trying to get what was being given to other employees, and so on, and the employees were making all sorts of excessive demands and trying to forecast far enough ahead that they would be completely protected against inflation. In the last year we have tried very seriously to bring about a program in consultation with all the elements in society, but unfortunately—

**Mr. Stanfield:** That has destroyed your credibility altogether.

**Mr. Chrétien:** We will see in three years time, sir, what it is all about, and I am confident that we have not. As I am explaining, this policy is a different one. We never close the door. Perhaps some got the impression it was completely closed, but when members opposite were asking questions before 1974—I refer particularly to the hon. member for Don Valley (Mr. Gillies)—the minister of finance of the day told him many times we were working on contingency plans to deal with the situation. I think it will be recalled it was always a possible option for the government but, as I explained earlier, the timing was off in 1974.

I would say that what happened to the Leader of the Opposition (Mr. Stanfield) was not that he was completely wrong. When he came forward with his policy the first time his timing was better, but by the time we were into the election his timing was completely off, because it was a time when we had to give labour a chance to catch up because the corporations had made very great profits in the previous year. It was pure bad luck for him. I respect his intelligence. He stuck with his policy, but it came off badly because of the timing. I think that now the timing is good. It is why we are here today and it is why we are getting the support of the Leader of the Opposition.

**Some hon. Members:** Oh, oh!

**Mr. Chrétien:** I am glad to hear the hon. member for Athabasca agreeing with me as usual.

**Mr. Yewchuk:** I am not agreeing with you.

**Mr. Chrétien:** I am just referring to the hon. member because he is here and we dealt together when I was minister of Indian affairs and northern development. I listened to his speech. For example, I was amazed when he said we should look at local initiatives; it was an awful program and we should not touch it. But members over there should try to reach a little bit of understanding among themselves this afternoon.

The hon. member for Joliette (Mr. La Salle) rose in his place and asked the Minister of Manpower and Immigration (Mr. Andras) a question. He said, "The President of the Treasury Board doesn't want to give more money to the Local Initiatives Program. Will you put a little pressure on him to put more money into the Local Initiatives Program?" He asked that question during the question period, and a short while later the hon. member for Athabasca rises and says the program is no good.

**Some hon. Members:** Oh, oh!

**Mr. Chrétien:** I think the Leader of the Opposition should get his members together so that his party might present some kind of consistency in policy.

**Some hon. Members:** Oh, oh!

**The Acting Speaker (Mr. Turner (London East)):** Order, please. The minister has the floor.

**Mr. Chrétien:** I am asking hon. gentlemen opposite to make up their minds, that is all. We have made up our minds. We decided in the budget of last June that we would put more money into the Local Initiatives Program this year. But we cannot put in enough money to satisfy all the demand; that is the problem. It is not that the program is not good; it is that the demands are too great. But that is past, now. I was just making the point in passing. It was not my intention to offend anybody; I am too nice for that, as everyone knows. Perhaps I should revert to my role as President of Treasury Board for a few minutes.

There are some critics who say we have not accompanied this policy with a program of restraint. I do think hon. members need be reminded that on June 21, 1975, I explained to the House that very substantial cuts had been made in our spending program. The cuts were to affect every department of government. I was supported at that time by the then minister of finance. I reported to the House that the total expenditures which would not be proceeded with this year because of the necessity to restrain the actual programs which had been approved by the government, amounting to \$967 million in one year. For people to say that there was no cut at all is, I think, a shame. But I cannot take this kind of action twice in the same year.

**Mr. Stanfield:** How big is the deficit going to be?

**Mr. Chrétien:** It is going to be big. I do not know exactly, but it is going to be in the billions of dollars. Everyone speaks about the amount of money the government is spending. Perhaps the hon. member would like me to table these three sheets. I do not want to go through them, but I have details of all the factors. The statutory payments of the government account for \$17.8 billion; 56.4 per cent of the expenditures of the government are con-