

Financial Administration

been considerably below what was authorized and planned, despite the increase in wages, salaries, and prices. For this new fiscal year we have applied a similar but more severe test of need. For non-defence purposes we have reversed the upward trend in expenditures. The estimates placed before parliament for this year show a reduction of \$35 million below last year, despite an increase of more than 10 per cent in salary and wage levels, despite higher materials and construction costs, and despite an increase of nearly \$40 million in old age pensions, family allowances, tax rental agreements with provinces, and similar payments that rise automatically with increases in population and the value of production.

He goes on to speak about the reduction of employees, etc.

There was a great deal of dispute about the figure of \$35 million, but I shall not labour the point. I shall merely read some remarks which I have put on record before.

They are from the *Winnipeg Free Press*. It speaks about the \$35 million hoped-for reduction out of an estimate of \$2,036 million for non-defence expenditures. The *Free Press* comment is as follows:

But the government's achievement here was only \$35 million out of \$2,036 million, virtually total failure.

Later it says:

... no government can continue to throw oil on the fire with one hand and keep down the flames with the other.

This committee will recall that some weeks ago we were given a figure, I think it covered the first seven months of the fiscal year, which showed that expenditures instead of being down \$35 million were up \$37 million. I asked a question of the parliamentary assistant, and he gave what I thought was rather a debating point answer, and in my opinion an answer that had nothing to do with the realities of the situation. But I comforted myself with the thought that when the minister came back there would be a more serious method of dealing with this matter. I thought that perhaps when the cat was away the mice would play. Actually, we have been thrown out of the frying pan into the fire.

The other day the minister spoke of this in a very offhand fashion, and said it was up only 3 per cent or 4 per cent, which is about right. My real concern, Mr. Chairman, which I want to record is that I believe, and I think the minister believed when he spoke last April, that this is one of the serious means of fighting this great plague which threatens us. I regret very much indeed that, so far as I can see, the minister has now thrown up the sponge, and in effect said that there is nothing that we can do about it, and that it is not too bad anyway. This has

[Mr. Macdonnell (Greenwood).]

disturbed me a great deal, and in that connection I want to make one comment.

I have ventured in this house before, recognizing the difficulty of economy, to say that I thought the only way to make economies was for the minister to ration, as it were, the various departments. I am not going to labour that, but I am putting on the record and I regard it as a matter of real importance and great seriousness that apparently we have not only abandoned the pursuit of economy but that the minister takes it with apparent equanimity. I should like to refer in this connection to the fact that there are men in public life who have gone to the mat on this question of cutting expenditures. I have in my hand a copy of a speech delivered on June 12 last by the Hon. Angus L. Macdonald. I should point out that Mr. Macdonald was in a different position from our own finance minister because he was facing a deficit. But I do not think the parliamentary assistant, the minister or anyone else will be inclined to say that merely because one is not facing a deficit one should be careless with public expenditures. I am sure they will not say that because one of the criticisms we have been making is that one of the dangers of large surpluses is that it is often difficult to make people really serious about economy. Economy is not a thing that anyone likes, and I have no doubt that if the parliamentary assistant feels it is worth replying to my statement, he will say that we on this side do not like economy any better than the government does. That will speak for itself.

I want to read briefly what was said by the premier of Nova Scotia, who is also the treasurer. He said:

When I speak of cuts in expenditures, I do not say or even suggest for a moment that any of the things that we have been doing have been unjustified or extravagant, and I do not wish that impression to gain any ground either in this house or outside of it. It is not a case of cutting out needless services or extravagant services. It is a case of having to make some cuts somewhere. It is a case of trying to fix priorities, and all that we can do is to hold on to those things that are absolutely essential, and dispense, for the moment at any rate, with certain things that, while desirable and good in themselves, are not so essential as the others.

I am not going to press this matter further. I realize it is a difficult thing, but I wish to point out that when the minister made his forecast last spring he went a long way towards saying he had tried to take into account the various increases that we were going to face. I do not want this criticism to be answered with the statement, "Well, prices have gone up." If the minister had come to this house and dealt with the matter seriously by saying, "Yes, we have been disappointed,"