

The Budget—Mr. Chrétien

Mr. Paproski: Why don't you get rid of it and save yourself a few millions?

Mr. Chrétien: You should know that is not so. Madam Speaker, it is amazing to find the opposition, which always complains that we do not give information, suggesting we eliminate an organization which was established for that purpose. The same people who ask us to have a complete and open policy now ask us to cut it out.

Mr. Paproski: That is your propaganda machine.

Mr. Mazankowski: Even the rainmaker says it is a waste. What does Keith Davey say?

Mr. Chrétien: Madam Speaker, I am going through a very difficult exercise. There is a very small target—

Mr. Stanfield: But a pretty sharp shooter.

[Translation]

Mr. Chrétien: Finally, the cabinet had examined and approved as part of the November 1974 spending program, projects costing about \$165 million which will be excluded from the present spending program and details of which will be announced in the next few weeks or months. Before the end of the year, there will be another reduction of \$165 million.

Mr. Stanfield: What date?

Mr. Chrétien: Mr. Speaker, I point out to the Leader of the Opposition that we shall make an announcement about those \$165 million the addition of which will make up the total of \$1 billion we are talking about.

Mr. Stanfield: We shall see.

Mr. Chrétien: The good-humoured remark of the opposition leader does not make me nervous at all. We shall certainly see!

● (1600)

[English]

In summary, Madam Speaker, I started with the November, 1974, expenditure budget figure of \$35.4 billion. I have accommodated over \$1.175 billion of new and unexpected expenditures and have managed to restrict expenditures to \$35.6 billion. The hon. member for York-Simcoe (Mr. Stevens) may believe it is possible to accommodate new expenditures of almost \$1.2 billion and yet remain at approximately the same total expenditure ceiling without cutting ongoing and planned expenditures; if so, perhaps that explains the great success of the Bank of Western Canada!

Mr. Stanfield: That was a mistake, Jean. You can do better than that.

Mr. Chrétien: Hon. members will be aware of the dramatic change already made in the rate of growth in the public service. The growth for this year over last was planned to be 4.1 per cent, down from an average of 7.1 per cent in the previous two years. In spite of this, departments have been told that 1 per cent of their salary budgets and 1 per cent of their man-years for 1975-76 have

[Mr. Chrétien.]

been frozen and may not be used. The reduction in man-years should be about 3,000 and the rate of growth will then be about 3.1 per cent rather than 4.1 per cent.

Mr. Stanfield: That is formidable.

Mr. Chrétien: Yes. We have cut our growth by 3 per cent, from 7.1 to 4.1. There has to be some increase. I could have said that there will be zero growth this year, but you must realize that some departments serving the public need more manpower. The opposition would have been on my back right away if we had not provided for the appointment of more RCMP officers.

Mr. Paproski: Get rid of Lajoie and save at least \$1 million.

Mr. Chrétien: We have been reasonable. As I say, the rate of growth in the public service will be about 3.1 per cent rather than 4.1 per cent, whereas the average rate of the two years before had been 7.1 per cent.

[Translation]

A further effort to cut expenses: the Treasury Board no longer allows departments to reallocate the balance of their frozen salary budgets to other items. Departments generally cannot increase their staff, regardless of manpower limitations, even to this year's low level. This situation is due to the difficulty of finding competent employees, to unavoidable delays in hiring and to other reasons. Departments have always been free to use their salary budgets to hire temporary help from agencies, to buy equipment or to hire consultants under contract for the purpose of a program.

Even though there may be exceptions, the fact that departments will no longer be free to generally reallocate the funds of their salary budgets will entail the lapsing of estimates which would otherwise have been spent.

Both measures dealing with salary budgets should make it possible to save from \$30 million to \$60 million. I should like now to make sure that there is no misunderstanding on two points. First, the decrease in man-years which I mentioned will be effected by attrition. Layoffs are out of question. Second, the reduction in man-years will require departments to reassess the services they provide or proposed to provide. Departments will have to cut down certain services and defer the implementation of some new services, thus unavoidably creating inconveniences for the users of those services.

Service departments have very large staffs and are mostly responsible for growth increases. However, given the limits imposed on our margin of manoeuvre, which I described at the beginning, and in view of the approximately \$1 billion objective we set up for ourselves, we had to insist on a reduction of man-years at the risk of inconveniencing the public. My deputy minister wrote to deputy ministers and organization leaders urging them to take measures aimed at lowering consultants and travel expenses during the present financial year. That letter has to do with expenses that are not essential to the permanent efficiency of programs.

We know that several million dollars will be saved on that item and we will take steps to have the order respected; but we did not want to give a specific amount in that