

Mr. Paproski: Did you say \$60,000 or \$65,000?

Mr. Andras: I was using those figures when I was referring to the competition we face in attracting qualified people. I simply say that, before we talk about those salaries being completely out of line, we must recognize what the competition is paying. However, I do not want to be diverted.

The Leader of the Opposition referred to the growth of government spending in this country. Since I am on public record as suggesting it is time we looked at a general curtailment of the spending of governments, I am not going to attack that general theme. This is where I would also probably differ with the comments of the hon. member of Winnipeg North (Mr. Orlikow). As is sometimes the case, I find myself in the middle, but I hope my position is based on more facts than he has offered.

The Leader of the Opposition spoke about growth. I shall use a slightly different time period because the statistics in my mind relate to probably a ten-year period and may not coincide, except for the final year. The growth over ten or eleven years went from about 30 per cent of GNP to about 41 per cent at the end of 1976. Those final figures have been shaded slightly downward because of the adjustment of GNP figures. That is simply a statistical change, but nevertheless the trend is there. In examining where that growth took place I should like to place the following comments on the record.

At the beginning of that ten-year period the federal percentage of GNP was in fact 15 per cent, and this has grown to a little over 16 per cent, at the same time as the provincial and municipal share to make up that 30 to 41 per cent has grown from 16 per cent to 25 per cent.

The Leader of the Opposition mentioned his fears about constitutional attacks. In this context I want to place on the record an interesting fact that I have observed. In terms of taxing and spending, this country is the most decentralized in the world, other than Switzerland. The proportion of revenue raised by taxation—federal, provincial and municipal—and the spending in the same ratio compared to any country except Switzerland, indicates that more is raised and more is spent by other levels of government than at the federal level. I grant that the total of all spending may be too high, but it would probably be more constructive to look more closely where the growth in spending occurs. We have recognized this fact and tried to do something about it in the last few years. There is no doubt that during the minority government period of 1972 to 1974—which I have described as being a very responsive and expensive one—we saw year on year increases that were unsustainable for any length of time.

In 1975 we articulated a policy to constrain the growth of federal government spending, all budgetary, non-budgetary, capital, non-capital spending and during the full fiscal year, to not more than the growth in the gross national product, that is, real and inflationary. We have met those commitments ever since.

In 1975 or 1976, the first full year in which this would have been effective, we indicated we were aiming for a spending

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ceiling of \$42,150 billion, which would have represented a 13 per cent increase over the previous year. We cut that shortly thereafter and came in \$1 billion under our reduced and publicly stated objective, and held it to around 10 per cent. With any luck in the six or seven weeks that remain of the present fiscal year to March 31, I am quite confident that we can bring in the final expenditures for this fiscal year at or below the committed public total of \$44,450 billion. That will represent about an 8 per cent increase over the previous year, which adjustment from the 7 per cent as we had announced is purely because we came in \$1 billion under the previous year. I think 8 per cent is not a bad performance, and when inflation is discounted it really represents no real growth.

The Leader of the Opposition spread gloom and doom saying that investment is leaving the country because of mismanagement by this government and so on. He had the temerity to quote a Royal Bank of Canada economist. That gives me the opportunity to quote that person's boss—the Chairman of the Board of the Royal Bank of Canada, Mr. Earle McLaughlin. I do not think that by any stretch of the imagination he could be called a closet liberal or even a person lacking in realism. Mr. McLaughlin said:

... the most calamitous thing for business and Canada would be to be swept away by the waves of pessimism often displayed by too many.

Although he acknowledged that over the past two or three years Canadian economic performance has not matched that of the United States, he chided the business community for its short memories of Canadian successes. He was talking about the past seven years and he said that selection of years was "a purely arbitrary medium term yardstick", because he said almost any other similar reference period would do. He also said that Canadians have outperformed the United States by almost any economic yardstick you might propose. That is the boss of the economist that the Leader of the Opposition quoted in absolutely different terms.

Mr. McLaughlin said also that in that period real personal incomes in Canada had increased 38 per cent, even taking into account the weakening Canadian dollar, compared with a U.S. increase of 17 per cent.

He said that the Canadian material standard of living had increased more than in the United States and, despite our unemployment, we had been creating jobs, new jobs, 50 per cent faster than the U.S.

He commented on another vital indicator when he said the total investment in Canada, investment spending in Canada, rose by 168 per cent compared to a growth of only 107 per cent in the United States and, he added, the past 12 or 24 months notwithstanding. He said that Canadian corporate after tax profits grew by 186 per cent, 7 per cent more than the United States.

He had more to say, but I will not bore the House with the rest of it. I just wanted to indicate to the Leader of the Opposition and members of the House that there are differences of opinion. I think the most important thing I can comment upon is Mr. McLaughlin's statement that it would be calamitous for business and Canada to be swept away by the