

*Adjournment Debate*

been humanely considered, and I am sure the minister feels humane in that regard.

**Hon. Daniel J. MacDonald (Minister of Veterans Affairs):** Madam Speaker, this question would appear to be in two parts. I suggest that I have answered the latter part of the question and I believe that answer should suffice. There is no change in the rules in respect of the latter part of the question of my hon. colleague from Humber-St. George's-St. Barbe (Mr. Marshall). In respect of the first part of the question, mention has been made in the House of a survey conducted by the Newfoundland and Labrador command of the Royal Canadian Legion. This is a study of the housing conditions of disabled and indigent veterans in Newfoundland and Labrador. This study is being completed in phases over a period of time. The final phase has not yet been completed. When the study has been completed, it will be fully studied by my department. If there is policy which could be derived from the report, there will be an announcement in due course.

The study by the Royal Canadian Legion, which concerns only Newfoundland and Labrador, is not related to the study which is under way in my department in co-operation with the Minister of State for Urban Affairs (Mr. Danson). Any proposals resulting from the study in my department will be equally applicable to all veterans in Canada, regardless of their province of residence.

FINANCE—EFFECT OF BUDGET PROPOSALS ON SIZE OF  
PUBLIC SERVICE—CONSULTATION WITH STAFF  
ASSOCIATIONS

**Mr. Walter Baker (Grenville-Carleton):** Madam Speaker, on November 19, 1974, I asked a question of the Minister of Finance (Mr. Turner) respecting a reference contained in the budget wherein the minister said that as one of his assaults, or as one of his weapons in the wrestling match against inflation—which wrestling match finds the minister on the ground—we must do all that we can, in these circumstances, to restrain the growth of governmental expenditures. He went on to say that the government had sought and would continue to seek ways to cut out waste, to place limits on the growth of the public service and to approve only the most essential new programs. The next day I asked him what he really meant by that, and he said he meant that there would be restraints on the increase of growth of the public service.

Madam Speaker, I am very concerned about how this program will be implemented. I believe it is easy to say that we will use the number of public servants, or an increase in the number of public servants as the battleground in the fight against inflation. This is easy for the government to do. My respectful submission to this House and to the Parliamentary secretary, through you, Madam Speaker, is that there are some very constructive things one could do in respect of restraint on governmental expenditures.

One would be to stop hiring consultants which cost the government \$750 million in one year. We should stop this wasteful practice and remember that there are men and women in the public service of this country who are skilled in their work and who have the capability to perform the jobs which consultants are now doing. In fact,

[Mr. Marshall.]

the object of the government ought not to be to restrain the public service as such, in terms of size, but to challenge the public service in terms of the ability of the service to meet this challenge.

● (2220)

The difficulty with respect to the public service is that there is now, as described by Mr. Wilson in an article in the *Ottawa Journal*, a malaise in the bureaucracy. The public service suffers with respect to job security in a way in which it has never suffered before. PSAC representatives before the Finkelman committee today told us that the greatest problem is erosion of income. They have been badgered by the traumatic experience with respect to the implementation of bilingualism. They have been red-circled, green-circled and blue-circled until they are tired of it. They are suffering from slow, unresponsive bargaining practices. The wage settlements which they are getting now as a result of arbitration are insufficient to meet the erosion of wages. A spread is developing in the salaries at the top level of the public service and the lower levels.

All these are matters which can discourage people not only from entering the public service but from staying in it. To the extent of the discouragement and threat to careers that exists, I say to you that not only does the public servant himself suffer, but the people of Canada are not as well served as they might be by contented, reasonably well compensated public servants who are neither ahead nor behind the public sector but at parity with it. It is for this reason that I rose to ask the minister for the reassurance which he did not give me in answer to my question on that day, and it is for that reason that I raise the matter in this debate. I hope to have that reassurance from the parliamentary secretary.

**Mr. Jack Cullen (Parliamentary Secretary to Minister of Finance):** Madam Speaker, I might say that I am responding tonight on behalf of the President of the Treasury Board (Mr. Chrétien). I think that the hon. member's position would be better served if the hon. member for York-Simcoe (Mr. Stevens) did not place questions on the order paper asking how many civil servants are receiving salaries in the range of \$20,000 to \$30,000 or \$50,000 to \$60,000, because I think it has the effect of placing a false image on what the civil service in this country is earning.

The Minister of Finance (Mr. Turner) in his budget speech on November 18 dealt at length with the problem of inflation and the necessity to sustain demand. It was in this context that he referred to the government's intention "to place limits on the growth of the public service." He did not say then or at any other time that it was the intention of the government to reduce the size of the public service. The hon. member may have been confused by press reports about the budget that spoke of cutbacks and freezes, but these were inferences drawn without any basis.

The President of the Treasury Board, the minister with direct responsibility for departmental establishment, also had occasion to deal with this question recently before one of the standing committees of the House. He indicated that there was no intention to impose a freeze or institute any process of cutting back the size of the public service. He said that the government has decided to slow down the