

sueded to accept the government's restraint program in face of this disparity in income.

Let us look at the growth in SX employees. Again, in response to a question put by my hon. friend from Winnipeg North, the growth in SX employees—they are employees earning between \$29,000 and \$66,000 a year—went from 402 people in that category in 1969 to 1,082 in that category in 1974. What are they doing—making gold? How many do you need? Other government employees are restrained, yet at the same time there is this enormous increase in people at the upper levels of government. I appreciate that there was a time when people working in the government, particularly at the senior level, may not have been receiving as much as those in the private sector. But the opposite is true now. The point of paying salaries larger than average, or normal, is to attract competent people. The complaint now is that they are overpaying people in the public service, paying away beyond what is necessary to attract able people. The proliferation of people in this category is something that must be looked at. If you wonder why there has been this growth in the non-productive sector of the public service, Mr. Speaker, it is because of salaries of this kind. Those salaries are based on size of department and number of people employed, rather than on the particular talent that people may display.

The government spends, on contract and casual employees, over \$900 million. It is hard to get an itemized account of this, particularly when we have all these high-priced people in the public service, why is there almost a \$1 billion expenditure on contract labour? In these estimates, the departments which have received the least assistance have been those dealing with scientific and medical research. At the same time there has been an increase in travel expenditure for senior people in the public service, from something over \$1,967,000 to \$4,310,000. How can one say this government has any decent priorities, when one see things of that kind?

The minister is congratulating himself that there has been an average increase in the public sector of something in the neighbourhood of 14 per cent. I say "something in the neighbourhood" because although these figures look awfully definite, they turn out to be not so definite on examination in committee. The House of Commons estimates have gone up by 19.2 per cent. Admittedly, a great deal of that is due to increased staff because of the increased responsibilities that the Commons has. But if you look at the Department of Justice you find that salaries—and essentially the cost of the Department of Justice is salaries—have gone up by 26.5 per cent.

Perhaps even that we could live with, but we find that the Senate's estimates have gone up by 31 per cent, at a time when the wage guidelines are encouraging people, indeed demanding people, to restrict their demands to 10 per cent to 12 per cent. Until these estimates were tabled, the situation in terms of people's conception of income disparity in this country was bad enough. This is one way in which we differ with our friends to the right. They are worried about the level of government spending. We are worried about who gets it, whether it is friends of the government, in the form of large hand-outs, write-offs and tax concessions, or the people of this country who are entitled to a fair share of income.

### *Main Estimates*

Over the last 30 or 40 years there has been no change in income distribution. If the government expects its essentially unfair program of wage and price controls—and it knows it is an unfair program—to be accepted at all, or if it is to have any chance of being accepted at all, one of the things it must demonstrate while the program is in operation is that the gap between those at the bottom and those at the top is being narrowed. There is nothing in the information tabled before us today which shows that the government either understands that philosophy or intends to take that kind of action.

[Translation]

**Mr. Léonel Beaudoin (Richmond):** Mr. Speaker, I would like to join those who have thanked the minister for inviting us to his office to look at the figures that would be discussed this afternoon.

As concerns the opinion of our party, I would like to make a few comments concerning the expenditures of the Treasury Board. First of all, I must say that we are not surprised that the minister is announcing today that the growth of federal expenditures will be limited to 16 per cent this year, since this government policy has been emphasized on various occasions. Indeed, I do not think that the government had any choice in the matter because its enormous budgetary deficit is forcing it to make important cuts in its expenditures, even if these cuts are painful, especially if it wants to support its own anti-inflation policy. The government must set an example.

But when we look at the whole situation of the Canadian economy, which urgently needs to be stimulated and stabilized, we can realize that the attitude on which the budget is based is just not good enough. On the contrary, it is timorous action which does not aim at supporting the economy, but shows that the government still maintains a defensive attitude as concerns the situation.

Indeed, these is an alarming contrast in this situation. The economy needs to be stimulated, but the government remains on the defensive, and instead of supporting the economic life, it is content with remaining an observer and hoping that things will get better late on. Where, for instance, are the employment creation programs that are needed in these days of high unemployment? Instead of introducing such programs, the government increases its contribution to unemployment insurance by \$810 million. It remains inactive, it accepts to fight against inflation, to create more and more unemployment and to increase deficits, which is illogical in this situation, because the government is increasing its contribution to unemployment insurance without introducing in compensation a dynamic program designed to progressively reduce this problem by creating productive employment.

Besides, in this budget, there is a glaring problem of great magnitude, namely the \$1.75 billion increase in the cost of public debt.

Who has allowed the banks and loan companies, in 1969, right here in the House, to increase the interest rate if it is not this government? At that time, the same government enacted this legislation which makes borrowing more expensive and deficit higher, thereby enlarging the yearly deficit margin which the government has to pay.