

*Anti-Inflation Program*

unyielding attitude of the Treasury Board to new requests, there seems to be nothing that we can do which will not mean a reduction in a transfer payment to a province or to a citizen; or which will not cut grants or contributions to some cultural or social or industrial development activity; or which will not cause a decline in some government service; or which will not restrict the funds available for employment creation.

[English]

Despite these difficulties, we have embarked on a serious program of restraint. It is as follows:

In the white paper on inflation, we pledged ourselves to hold down the growth of the Public Service in a statement that read:

"... the federal government has decided that the growth in the authorized level for the federal public service in 1976-77 will be held to 1.5 per cent of the level authorized in the 1975-76 main estimates."

Since we said as well we would meet new priority and essential service requirements within that limit, the Treasury Board had then to cut several thousand man-years from the 1976-77 levels already approved so that many departments will find themselves with smaller manpower resources in 1976-77 than they had in 1974-75.

We are now taking further measures with respect to what I might call the government proper—parliament and the Public Service.

We are introducing a bill to freeze the pay of members of the House of Commons and the Senate for one year—including the salaries of ministers. That is, the increase in pay they would have received in January under existing legislation they will not receive when this bill is enacted into law.

We are doing the same thing to salaries of public servants in the higher pay categories. From now until April, 1977, the pay of deputy ministers, assistant deputy ministers and all those in the senior executive and equivalent category of the Public Service—that is all those whose minimum salaries are \$27,500 or more—will be frozen, except for those whose salary is determined by collective bargaining.

The freeze is extended to equivalent order-in-council appointments and to the senior officers of Crown corporations whose salaries the government controls. The Prime Minister (Mr. Trudeau) will write to the heads of Crown corporations to inform them of the desire of the government that the freeze apply to higher salary levels that the corporations themselves have responsibility for setting. He will also seek the co-operation of the Speakers of both Houses in extending the freeze to senior officers who serve the House and Senate.

[Translation]

I am sorry, Mr. Speaker, if I make your task more difficult, but I am sure you will want to co-operate with members of the House. The salaries of all judges of the Supreme Court, the Federal Court and the provincial superior courts will not be allowed to rise in 1976-77. We have decided to freeze the level of 1976-77 man-years available for higher-salaried positions—those that command a salary maximum of \$30,000 and over—at the level of 1975-76.

To ensure that the freeze will be feasible we will draw from departments a portion of the man-years they have for

[Mr. Chrétien.]

such positions to establish a pool, to be administered by the Treasury Board, upon which we can draw to provide resources for unavoidable new demands. The freedom of departments in administrative and operating expenditures will be reduced. A series of directives will be issued designed to reduce outlays for advertising by 15 per cent, and for travel, motor vehicles, furniture and conferences. I mean, Mr. Speaker, that first-class travel for officials will be eliminated, motor vehicles will not be changed for new ones, there will not be any purchase of furniture and, of course, the amount of money available for the salaries of those who are hired to replace employees sent on language training will be cut by 20 per cent.

The agency known as Information Canada will be terminated. The book stores and the division which handles expositions for the government will continue to exist as parts of other departments.

Planned accommodation expenditures for the public service have been cut—particularly as a consequence of the greatly restricted growth in numbers. The 1976-77 main estimates provision for the construction of public buildings will be \$30 million less than in 1975-76 main estimates.

We are requiring that the Department of External Affairs, which must open some new posts abroad, will do so out of available funds by cutting expenditures for other posts.

Next, government services and subsidies. The Post Office is being held to a growth in manpower very much smaller than in other years and therefore it will not be able to expand its services in the usual way in new communities; and some services will have to be curtailed.

In the field of transport, a number of subsidies will be lowered or removed. Increased charges to the users of airports, such as higher landing charges, will be made to reduce what amounts to a subsidization of those users.

The subsidy on the transcontinental rail passenger service is to be reduced along with the subsidies on the movement of certain commodities under the Maritime Freight Rates Act and the Atlantic Region Freight Assistance Act.

● (2010)

[English]

Reductions are being made in a number of programs through which Industry, Trade and Commerce has given aid to industrial development and research. The reductions will be made in the program for the advancement of industrial technology, PAIT, in the defence industry productivity program, in shipbuilding subsidies, in tourist industry development and in other smaller grant items. The Industrial Research and Development Incentives Act which provides for contributions of \$20 million to \$30 million a year for industrial research will be repealed.

The dollar and manpower resources of the Department of the Environment will be less than expected. There will be reductions in the capital budget of the fisheries and marine program, in fishing vessel subsidies, and in funds to deal with pollution caused by federal facilities. The government also intends to introduce legislation to produce savings in its contribution to crop insurance schemes.