

fact with regard to Crown corporations and similar institutions. This act will remove the subsidies for removing grain and flour for export to the east. It will give us breathing space until the whole matter is organized. This is one of the greatest things the Minister of Transport (Mr. Lang) is now busy doing.

I have some figures which will be of interest. All ministers are cutting many millions of dollars out of their budgets: Agriculture, \$10 million; Consumer Affairs, \$1 million; Energy, \$16 million; Environment, \$11 million; Industry, Trade and Commerce, \$13 million; Labour, \$6 million; Manpower and Immigration, \$56 million; Health and Welfare, \$223.8 million. I could go on and on. The total for budgetary items amounts to \$828.5 million, and non-budgetary items to \$726.8 million, for a total of \$1,555.3 million. This shows that the government's intentions are serious and that they are carrying them out.

Many things have been said about this government by members on the opposite side, as well as in various articles which have appeared in the press. When the people of Canada hear this, they think about what "that terrible government" is doing. For example, it is claimed that in the ten-year period just past, Ottawa increased its spending by 600 per cent. Actually, this increase was 388 per cent, which is quite in line and parallel with the growth of the gross national product.

I am going to quote Richard S. Malone, the publisher of the *Globe and Mail*. He wrote a scathing article about the government and its expenditures. Practically everything he said was incorrect. If you are going to criticize this government, for goodness sake be accurate. We will then do our best to make it right. There is no way you can make right in people's minds a misrepresentation which has been intentional. People fall for it and believe it. If members opposite are responsible, they will stop this.

Mr. Malone stated that overspending could only be done with devalued dollars or legal counterfeiting. That is a ridiculous statement. The budgetary policy is not determined only by the requirements of the federal public sector, but also by the imperatives of macro-economic management; in other words, what is necessary to sustain growth and to check inflation in the Canadian economy as a whole. One of the factors which led the government to introduce price and income controls a year ago last October was precisely the need to avoid, at this juncture, changes which are too abrupt in our economic policy; in other words, that accusation was demagoguery. He further said that the financial estimates and budget in Ottawa will call for an even greater increase in spending, an increase of 16 to 19 per cent, quite apart from the supplementary estimates. He was quite wrong, assuming that the figure will be 16 per cent not only for budgetary but for non-budgetary amounts and all the expenditures which will be contained in the main estimates.

Another statement was that a recent estimate shows that 43 per cent of Canadians who are employed are on government payrolls. What an asinine statement! I will go through a little exercise to illustrate why I say that. Public servants in Ottawa and members of the armed forces total 412,000. That is, the

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number of Canadians directly employed by the federal government. It represents 4.4 per cent of the country's employed labour force. Therefore, his figures are wrong by ten times the actual amount. There are 346,000 provincial public servants and 267,000 municipal employees. If they are included, the total number of government employees is 1,025,000—11 per cent of the total number of employees in Canada, not 43 per cent.

There are approximately 637,000 employees in the hospital and welfare sector, and in the educational sector—such as school teachers—there are 662,000 employees. These are not direct employees of the federal government. However, even if we included those figures in the number of employees of the three levels of government, the total is something over two million, which is about 25 per cent of the employed labour force in Canada.

● (1150)

What happened to the Crown corporations? Employed in that field amounted to 270,939. That brings us up to 28 per cent, or 2,595,000. In other words, that criticism of the federal government was ten times wrong. If the hon. member wants to be nasty and include all governments, national and provincial, and all the agencies which work for the government, he is still wrong: Even in the totals we supplied he has doubled the figure. I believe we are entitled to fair criticism. We should not hear any more of that type of nonsense.

It is rather interesting to note that for the last 10 or 15 years our gross national product has been increasing at the rate of about 5.5 per cent. Canada's growth performance is better than that of the majority of OECD countries including West Germany, the United Kingdom and the United States. In 1974, while real growth contracted by 2.1 per cent in the United States and by one-tenth of 1 per cent in the OECD as a whole, the GNP in Canada rose by 2.8 per cent. In the recession of 1975 only five OECD countries were expected to achieve any degree of real growth and the GNP was forecast to decline by 2 per cent or more in France, the United Kingdom and West Germany. In Canada, the GNP was expected to fall by only 1 per cent. But instead of experiencing a decline of 1 per cent, we increased the GNP by 0.2 per cent. In fact, we were the only country in that small group of countries to experience an increase.

Hon. members who consider the figures will realize there is a great deal of misinformation being given to the Canadian people. I deplore the misinformation which emanates from the opposition and from the media.

An hon. Member: You are paranoid, doctor.

Mr. Railton: No. That is a very difficult diagnosis for a member on the back benches over there to make. Our living standard is the third best in the whole world. For a long time we were second only to the United States, but we were edged out recently by Iceland. I do not wish to take up any more time of the House. I realize my speech might have been a little difficult for members on the other side to listen to because I