

*Main Estimates*

higher salary and wage rates which will have to be paid under existing collective agreements.

The House should note that the average annual compound rate of increase in wages and salaries provided by federal public service agreements signed in 1975 was 14.4 per cent. Thus, the federal government's performance in this respect was somewhat better than that of other sectors of the Canadian economy. While I am conscious of the need to deal fairly with public servants in relation to other categories of wage earners, I hope that in keeping with the government's anti-inflation program, and with the co-operation of public service unions, our performance will further improve during 1976.

[Translation]

Inevitably, higher expenditures could not be avoided for the Department of Transport and certain agencies such as the RCMP and the Central Mortgage and Housing Corporation, which are responsible for policies to which the government attaches a high priority. In addition, a large increase in government payments to the Unemployment Insurance Account was made necessary by conditions in the labor market during 1975; and subsidies for the two-price system for wheat are included for the first time in the Main Estimates. Nevertheless, subject to unforeseen developments during the new fiscal year, I hope to keep the growth of federal expenditures below the 16-per-cent ceiling.

I would like to draw the attention of hon. members to a new summary table of the Blue Book, Table 7, which classifies budgetary expenditures by type of payments. This new table shows that the federal government, far from being the "big spender" it is sometimes said to be, is the key agent for income redistribution in Canada. In fact, fully 70 per cent, or \$27 billion of the monies included in the main estimates for 1976-77 will not be spent directly by federal departments or agencies, but rather will be redistributed, in one form or another, to Canadian householders, Canadian industry or other levels of government.

[English]

Nevertheless, as I announced last December 18, we are continuing our efforts to curb the rate of increase in the size of the public service. I remind the House that the expansion averaged 7.1 per cent in the two-year period ending 1974-75. We initially set it at 4.1 per cent for 1975-76, but later reduced it to about 3.1 per cent by freezing part of the new manpower resources already authorized. Last fall we set a new and much lower 1.5 per cent ceiling on the growth of the public service during 1976-77. At 1.3 per cent we are well within that limit in the main estimates, and we still have a small margin to meet unforeseen requirements.

Net growth in authorized man-years was held to this low level by reducing the staff of many departments and agencies in order to be able to increase resources in others where requirements were considered more urgent because of government priorities in such fields as economic management, domestic security and essential services.

[Translation]

The year-to-year budgetary expansion in the Main Estimates for 1976-77 over 1975-76 is \$6.2 billion. The programs which make the major contributions to this expansion, in absolute terms, are the following:

[Mr. Chrétien.]

	(\$ Millions)
Public Debt Charges	1,075
Government Contribution to the Unemployment Insurance Account	810
Hospital Insurance and Medicare	614
National Defence	573
Old Age Security	537
Transport Ministry	291
Post Office	230
Fiscal Transfers to the Provinces	226
(Including Contracting-Out Payments to Quebec)	

Almost all the items I mentioned are statutory expenditures in whole or in part, which means that the government had virtually no flexibility to exercise further restraint. To put it another way, about 55 per cent of the Main Estimates of budgetary expenditures (including OAS-GIS) were of a statutory nature in 1975-76; and next year, the proportion will be 57 per cent, which, among other things, shows the control we have exercised on the non-statutory side.

● (1530)

[English]

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The 1976-77 booklet, "How Your Tax Dollar is Spent", is being distributed to all members, together with the main estimates. The booklet is a more compact version than that of previous years, reflecting our concern for greater economy. At the same time, it is a highly informative and analytical document which I am sure many will find useful.

[Translation]

However, Mr. Speaker, before concluding, I would like to add that some hon. members from the opposition parties, in particular my good friends the NDP members will say this expenditure budget is too restrictive, whereas the Progressive Conservative members will argue we have not made enough cuts. That is the simplest explanation I can give: when it comes to budget cuts, we should remember this popular French folk's song which says: Everybody wants to go to heaven but nobody wants to die".

[English]

**Mr Speaker:** Order, please. Before calling on the hon. member for Edmonton West, it has been our practice since last Easter that statements by ministers would result not only in a statement by a representative of each of the opposition parties but also by a period of questioning. While that practice certainly has prevailed with some considerable benefit to the House, I would suggest, in general statements by ministers on motions the fact is that the practice of introduction of estimates by the President of the Treasury Board today is part of a practice which is to initiate a whole series of questioning and studies before