

Restraint of Government Expenditures

because it is important to know the answer. I think opposition criticism leads to misrepresentation of certain facts and this troubles our electorate. If the opposition were honest, it would say what it would do if it were the government. As soon as we hear honest criticism we will provide the appropriate answers.

Mr. Mazankowski: You people are not experts in that field.

Mr. Railton: The people of Canada are in favour of stable government and do not believe conditions are nearly as unstable as hon. members opposite make out. Part of our present-day troubles may be blamed upon the absolute misrepresentation of facts and twisting of truth. This must stop. We need statesmen—and I do not see many on the other side of the House. Actually, I should like to know when hon. members opposite are going to produce one statesman.

Mr. Towers: There are more on my side than there are on yours.

Mr. Railton: Let me now deal with the government's proposed cutbacks. The government, in trying to reduce spending, will divert certain expenditures, eliminate others and cut down on certain activities. The first step was taken some time ago and was rather painful. The salaries of members of the House of Commons and the Senate, of judges of the Supreme Court, the Federal Court and provincial superior courts and of senior public servants were frozen. That was supposed to be a good example for the rest of the country, but perhaps it went unnoticed. I do not know if we received any thanks for our gesture.

The government has decided to terminate the Opportunities for Youth program, Information Canada and the Company of Young Canadians. Opinion on such programs and agencies was somewhat divided. Perhaps they would not be discontinued if there were no need for restraint. I think they were all examples of a broadminded approach to certain Canadian social difficulties.

By not indexing family allowances, the government hopes to save \$221.3 million in a year. I think most Canadians are satisfied that with unemployment insurance and other social security programs such as old age security, widows pensions and the guaranteed income supplement, we are doing our best to look after those in difficulty because of unemployment or lack of income. If we can save \$221.3 million without creating hardship, I think we should do it, although I do not like cutting back on any kind of pension.

The government has also decided that it will defer or reduce loans to Crown corporations in the hope that they will get their financing from the commercial sector. We look on our Crown corporations much as we look on our LIP projects. We look askance at people who come to us in the third year of a LIP project and say they want a hand-out to keep this or that good work going. We expect people operating LIP projects to make them self-supporting within the first two years. We are applying the same reasoning to our Crown corporations and reducing the loans which will be made available from the central government. We feel that they, too, should work toward

[Mr. Railton.]

independence and prosperity. But please remember that many Crown corporations were set up in the beginning because their activities were important to all Canadians. They were financed by the government because in the beginning they could not be profitable. I am thinking of Crown corporations like the CBC, Air Canada and the CNR. Now we are urging them to become self-supporting.

There is to be a reduction in planned expenditures, the total of budgetary and non-budgetary items amounts to \$1.5 billion. These reductions are being carried out on target. In other words, without such reductions the main estimates brought down in February this year would have been \$1 billion higher, and the budgets of the Crown corporations would have been \$500 million higher. In order to reduce expenditures we must amend several laws which give statutory authority for money to be spent on certain programs. For instance, we are to amend part of the adult occupational training program. The provision for granting certain annual increases is to be repealed and the government will substitute a provision which will permit the setting of these allowances by regulation. There will not be an automatic indexation. Then there is the Company of Young Canadians Act. We have to amend that act. I was not greatly gripped by that act in the first place. I thought it was somewhat far out.

I mentioned family allowances. That act will have to be amended also. I am rather sorry about the Industrial Research and Development Incentives Act. When I first saw this legislation I thought we were taking away from our eventual prosperity by reducing money to research and commercial and manufacturing industrial development. There is no doubt that the National Research Council does provide a great deal of industrial research. It was not considered that the research and development incentives to private companies added a great deal to the improvement of technology.

● (1140)

The government has been giving manufacturers and industry in general, including primary producers such as oil companies and resource industries, a very good thing by allowing them the 10 per cent incentive deferral. The only thing we request, and we still keep this in force, is that the corporations reinvest in their plant and machinery; in other words, incentives have to be based on profitability, productivity and reinvestment.

Then we have the Supply and Services Appropriation Act of 1970. That item was Information Canada. Many people in this country regarded Information Canada as nothing more than a frill we could live without. Its abolition shows the serious intention of the government with regard to cutting out expenditures that are not necessary. The only thing done to the Western Grain Stabilization Act was to defer it. No one is going to lose anything; everyone will be paid their interest on the amount which is being deferred.

Then we come to the Railway Act. We have to realize that transportation companies must work toward becoming self-supporting, the same as any other company. I mentioned that