



Bulletin

Vol. 24, No. 34

August 20, 1969

CONTENTS

Expenditure Guide-Lines	1
Sir Isaac Brock Stamp	3
Visitors from Down-Under	3
Montreal's Mass Marriage	3
More Fun, Less Work	4
Prisoners on Day Parole	4
Health Manpower Conference	4
Closing of Post Office Savings Bank	5
Lower Drug Prices Prescribed	5

EXPENDITURE GUIDE-LINES

A statement by Mr. Pierre Elliot Trudeau, Prime Minister on August 13:

This year the debate about inflation and the search for ways to combat it have reached a new intensity. Most Canadians – whether in government, business or labor – realize that if inflation continues unchecked they will suffer personally. But some people suffer more than others. Even a modest increase in general price levels causes anguish for pensioners, wage-earners with weak bargaining powers, the unemployed, persons on welfare and others who are unable to increase their incomes. Because these persons are often our lowest-income earners, inflation has serious implications for our goal of achieving an equitable distribution of incomes.

We have chosen an approach to combat inflation which we believe can produce better long-term results for the country and for Canadians. For success, it requires your support, and this is why I am speaking to you tonight.

Our fiscal and monetary policies are the first line of attack. During the past year we have taken the necessary steps to place our budget in a surplus position in the 1969-70 fiscal year... the first actual surplus in 13 years. This swing from a deficit of \$575 million last fiscal year to a surplus this year is of great help in fighting inflation in our economy.

Another important step in holding down costs of all governments in Canada was our refusal to turn over larger amounts of money to the provinces. The federal stand and the fruitful discussions held with the provinces before they brought in their budgets have resulted in most provinces making successful efforts to improve or maintain budgetary balance. I

hope they keep up the effort.

The Prices and Incomes Commission is still another important element in the process of reducing inflationary pressures. Last week, the Commission indicated the direction it proposes to take. This Government intends to co-operate to the fullest with the Commission in the development of a set of voluntary constraints on prices and incomes for 1970.

During the past year and a half, we have begun to feel the effectiveness of a new kind of expenditure forecasting – what the Treasury Board calls program planning and budgeting. PPB required official and department heads to maximize productivity *per man* at the lowest administrative cost to meet policy objectives. In effect, the improved management techniques of program planning and budgeting put private-sector cost-control methods into the public service. into the public service.

Tonight I want to talk about further steps we are taking to fight inflation. Very often, government spending is described as a major contributor to the problem of inflation, so today we want to put the whole subject of the Federal Government's expenditures before you in order to stimulate a discussion on '70-'71 expenditures well in advance of the usual date of publishing the estimates. A good discussion of our expenditures will help to remind us of the social purposes of government spending, and help in reviewing and reassessing the importance of the functions of government.