

Treasury Board (Mr. Gray) did give ample indication of how the money under discussion would be spent. I would remind Hon. Members as well that almost two-thirds of those budgetary estimates are slated for statutory expenditures based on continuing authority given by Acts of the current and previous Parliaments which determine the basis whereby individuals, businesses, provincial and other Governments in Canada become entitled to receive federal funds.

The Main Estimates show in great detail the wide variety of programs being carried on by the Government of Canada in meeting its responsibilities of assisting Canadians in a very difficult time. We know that the signs are that this has been a struggle that seems to be paying off, that there is an improvement in the economy, but it is a struggle against a world-wide and very, very difficult recession.

The Estimates reflect a 21 per cent rise in cash payments under the Established Programs Financing Act whereby the federal Government contributes to such things as financing of hospital insurance, medicare, extended health care and post-secondary education. They indicate a \$2.9 billion allocation to Unemployment Insurance, as we anticipate a slow recovery in employment prospects during our gradual recovery from the recession. The Estimates show a further 21 per cent increase in federal contributions under the Canada Assistance Plan. This plan provides, for example, for a 50 per cent payment by the federal Government of eligible costs of provincial and municipal expenditures for assistance payments, welfare services and health programs. In addition, we cover one-half of the cost of child support services such as foster care, daycare and a broad array of other family and social support services used by Canadians on an ongoing basis.

If Members opposite are still wondering how the money will be spent, I would mention that the Main Estimates also spell out a number of new initiatives undertaken by the Government, including this Small Business Investment Grant Program and the New Employment Expansion Development Plan called the NEED Program, which was touched upon by the Minister of Employment and Immigration (Mr. Axworthy) today.

I want to touch upon another criticism that has been raised by Hon. Members in the discussion of this legislation before the House. I am talking about a claim made that the expenditures of the Government, as witnessed by the documents tabled by the President of the Treasury Board, or the funds sought in this legislation, reflect that the Government is not managing or controlling expenditures.

● (1530)

I would remind Hon. Members that the policy and expenditure management system was put in place in 1979 following receipt of the recommendations of the Royal Commission on Financial Management and Accountability, the Lambert Commission. That system is in place and is functioning. It was adopted by the Official Opposition when in Government. As Hon. Members are aware, this is a program where spending is

broken into ten expenditure categories, with Cabinet committees taking responsibility for expenditure management within an envelope system.

Each envelope is provided with a separate policy reserve which functions as a bank account in which unallocated funds are kept. Cabinet committees can add to their policy reserves by cancelling or cutting down on existing programs. Ministers have to vie, argue and debate for the prudent expenditure of funds. Priorities must be struck, and for any expenditure from those funds there is a check and balance.

There are other controls as well. All budgetary appropriations of funds must be approved by Parliament, and the Government supplies very detailed information in the form of Estimates. For example, I have been before the Finance Committee to report on and account for the Department of Insurance which falls under my responsibility, as every other Minister does for the expenditures of his Department.

Parliament must authorize all taxation and borrowing activity by the Government. Within the Government, the Treasury Board rigorously examines all requests for spending authority by Government Departments and agencies. It is constantly on the lookout for inefficiency or impropriety and screens the submission it receives very carefully. I do not think I have to remind Hon. Members of the office of Comptroller-General and the role that he plays in the scheme of things in terms of official management of expenditures of Government.

The Auditor General examines the Government's financial statements very carefully and reports to Parliament on his findings. We were saddened this week with the sudden and unexpected demise of Mr. Macdonnell who took such leadership in this area. He performs a watch-dog function which helps provide further assurance that Government will function according to Parliament's dictates and as efficiently as possible.

Finally, the Government announced in 1975 that henceforth it would endeavour to hold the trend growth in its expenditures to no more than the trend growth in the economy. Over the period from 1975 to 1980, the Government was successful in meeting this objective. In 1981 expenditures rose more rapidly, no doubt a reflection of high interest rates and the consequent effects on public debt charges.

In conclusion, I urge Hon. Members to give speedy disposition to Bill C-143 to permit the Government to meet the real needs of Canadians which I have expressed. We hope this will be done in a most expeditious manner reflecting the efficiency which I detailed in my comments.

**Hon. Sinclair Stevens (York-Peel):** Mr. Speaker, in joining in this debate, I do so with real sorrow. I feel that while the Government has the right to use closure which it is now proposing that the House accept, this is not the time to be using closure on such an important matter as the borrowing requirements of the Government.

I say I rise somewhat in sorrow because, having listened to the Minister of State for Finance (Mr. Cosgrove), it is abundantly clear to me that he, and presumably his Cabinet colleagues, have just lost control of the situation. He attempted