

*Main Estimates*

where it is stated—and it does not come from Sacred analysts but the *Reader's Digest*—and I quote:

[English]

In ten years, the budget has skyrocketed 350 per cent from \$8.8 billion to a forecast \$39 billion in this fiscal year (April 1, 1976 to March 31, 1977).

[Translation]

Well, Mr. Speaker, in light of such estimates I would like to correct the *Reader's Digest's* report that the budget rose from \$8.8 billion to \$45.1 billion, an actual increase of about 500 per cent over a ten-year period.

The government is trying to hide that increase by manipulating the figures and presenting the budget increase in regard to the gross national product in an attempt to sell us the idea that it accomplished financial miracles in connection with its budgets or the gross national product. I do not care for comparisons in increasing expenditures or estimates in relation to the GNP because if you take out of the GNP the drop in the value of the dollar caused by the increase in the cost of living you come to a first conclusion that national output in 1976 in terms of real dollars amounts to about 10 per cent more than the national output ten years ago. If, on the other hand, you exclude the output by new Canadians who have entered the labour market over the last ten years from the 1976 national output you realize that the per capita GNP in 1976 is the same in terms of real dollars as in 1966. So there was no actual increase in the GNP per capita during the 1966-76 fiscal year. That increase is due to inflated figures as shown by the consumer price index which rose by 72 per cent from 1965 to 1975.

Mr. Speaker, I would like to make an extremely important second point about the GNP and it is this: The GNP figures include amounts that are more a liability than an asset for this country. Let me explain. The gross national product includes—to use only that example—all sales or exports of raw materials such as asbestos ore or various forms of energy, or all other sales of iron ore or non-renewable natural resources. Those sales have inflated our GNP whereas if our natural resources were processed in Canada they would increase the gross national product much more and at the same time help reduce unemployment.

Once again, Mr. Speaker, I would like to point out to the House that 55.7 per cent of the budget expenses tabled this day are statutory expenses, which means that the House cannot discuss nor change them, and that the first item, the largest statutory expense, amounts to \$5.38 billion. These undebatable \$5.38 billion statutory expenses are not meant for unemployed, handicapped or sick people, and even less for provinces strangled by finance to such an extent that unfortunately several of them are, like Quebec, thinking of separation, with the thought and belief that they will all by themselves get strangled less severely and less quickly without the co-operation of the federal government.

Mr. Speaker, these \$5,388 million will go to the little people, the little people of the financial world for having financed 94 per cent of Canada saving bonds or of our national debt, a financing which should have been done through the Bank of

[Mr. Rondeau.]

Canada, as it was suggested yesterday by my hon. colleague, the member for Bellechasse (Mr. Lambert) in a motion tabled and discussed in the House.

The transfer of monies to the provinces for fiscal year 1977-78 will be around \$2.88 billion whereas the transfer to the financiers of saving bonds will be twice as high. If they want transfer payments, the provinces have to beg the federal government, discuss, fight and be disappointed, while the chartered banks do not even need to attend federal-provincial conferences because, by statute, they come at the top of our spending to such an extent, Mr. Speaker, that we are not even allowed now to discuss it in the House. Mr. Speaker, unfortunately we shall soon see the day when the federal government will have to choose between financiers and their annual transfer payment of \$5,388 million and the Canadian provinces which are fighting to get \$2,880 million in transfer payments.

[English]

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, I should like to direct a question to the minister. It is obvious we will not get a change in the form of the estimates we talked about earlier this year when the Auditor General's report came down. As members of parliament, who have the primary responsibility of examining government estimates before granting supply, we are still faced with the same problem.

● (1600)

Given the fact that as of this moment there are 14 standing committees examining the estimates of approximately 32 government departments, not counting government agencies, and given the fact that Standing Order 58(14) requires that all the estimates will be deemed to have been reported back to the House and approved as of midnight, May 31, can the minister assure us now that all the estimates which he released today will be examined in committee? I ask that question because it has been the experience of the last few years—and if we examine the record we will find that this is a fact—that there has not been a year in which all departments came before the committees for an examination of their estimates, and consequently some of the moneys had to be voted by the House without any examination whatsoever. In light of what the Auditor General said about the government and parliament losing control over spending, can the minister at least assure us that every department will be scrutinized by a committee of this House?

**Mr. Andras:** Mr. Speaker, I would like to reflect on that. I might as well admit frankly that I am not exactly sure of any plans to change the process by which we examine estimates from what it has been in the past, at least between now and the deadline of May 31. All I can say is that the hon. member can be assured of my co-operation to the degree I can influence a thorough examination of the estimates. I know the problem. It is not entirely a matter of the attitude of the government. It is a problem of the complexity and volume of issues with which we have to deal compared with the number of hours in which we can deal with them.