

*The Budget*

possible by the very great effort we have made to restrain our expenditures. In 1974-75 our outlays, that is to say budgetary expenditures, OAS and GIS, and our loans, investments and advances, rose by 28 per cent rather than the 25 per cent I forecast last November. The largest elements in this 28 per cent rise were increases of \$1 billion in oil subsidies to eastern Canada, over \$800 million in family allowances, and over \$750 million in fiscal transfer payments to the provinces, including equalization. The increase in our outlays for 1975-76 would have amounted to 15½ per cent, if we have not had the program of expenditure restraint. This program, even allowing for some shortfall in the planned reductions, should hold the increase to under 13 per cent.

The financing of \$5.3 billion in requirements should not put undue stress on capital markets. Our cash position at the beginning of this fiscal year stood at over \$3.2 billion. So far this year sales of foreign exchange have provided an additional source of funds to the government. The Bank of Canada will continue to require federal securities to finance a reasonable rate of monetary expansion. The chartered banks will require treasury bills for statutory requirements and federal securities to add to their liquid assets. I am satisfied that adequate room will be left in the capital market for other borrowers.

The deficit on a national accounts basis in 1975-76 is now forecast at \$3.7 billion compared with \$635 million in 1974-75.

I must remind hon. members that the figures I have presented tonight on the outcome of our accounts are estimates. The actual outcome will reflect the decisions of this House respecting legislation which is now before it or which will be placed before it during the course of this session. All estimates are subject to particular uncertainties in the circumstances of today.

With the permission of the House, I should like now to include in today's *Hansard* supplementary tables showing estimates of Government of Canada cash requirements, details of the budgetary revenues, federal government revenues and expenditures on a National Accounts basis and reconciliations of these figures with those compiled on a Public Accounts basis. The information in these tables applies to the fiscal years 1974-75 and 1975-76.

I should also like to table several Notices of Ways and Means Motions setting out the changes I have proposed tonight and I would ask that they be appended to today's *Votes and Proceedings*. I should also like to table the supplementary information of labour costs, the two discussion papers and the statement of financial transactions for 1974-75 to which I referred earlier tonight.

**Mr. Speaker:** Is this agreed?

**Some hon. Members:** Agreed.

[*Editor's Note: For notices of ways and means motions, see today's Votes and Proceedings.*]

[*The tables referred to above are as follows:*]

## GOVERNMENT OF CANADA FINANCIAL REQUIREMENTS

	1974-75 Preliminary Actual	1975-76 Forecast <sup>1</sup>
(Millions of Dollars)		
<b>Budgetary Transactions</b>		
Revenues	24,856	25,725
Expenditures	-26,001	-28,900
Surplus (+) or Deficit(-)	-1,145	-3,175
<b>Net Non-Budgetary Transactions</b>		
Excluding Foreign Exchange Transactions		
Loans, Investments and Advances	-2,261	-2,700
Other	1,081	575
Total	-1,180	-2,125
<b>Total Financial Requirements</b>		
Excluding Foreign Exchange Transactions	-2,325	-5,300
Foreign Exchange Transactions	767	332 <sup>2</sup>
<b>Total Financial Requirements</b>	<b>-1,558</b>	<b>-4,968</b>

<sup>1</sup> Numbers in this column should be interpreted as mid-points of ranges of estimates.

<sup>2</sup> This amount reflects transactions to the end of May.