

The Budget—Mr. Sharp

by reducing our cash balances. I shall be endeavouring, of course, to reduce our cash requirements below that figure if I can in order to keep to a minimum our demands upon the capital market.

• (3:50 p.m.)

I should like to re-emphasize the two points I have made because I have seen references in the press and elsewhere to fears that the budgetary deficit this year is going to far exceed our estimates, or that our cash requirements are going to far exceed the figures I put forward in the budget speech. In fact, I am satisfied that we shall stay within those figures. Ordinarily the government does not settle its future spending plans at this time of year. At present the situation we face in the capital market and the widespread concern over government expenditures require us to plan ahead as far as we can the general scale of our expenditures and revenues and our demands upon the capital market next year. The government is now engaged in a special effort to limit the growth in its expenditures next year. Many of our large spending programs are now related to the cost of provincial programs which we support, notably hospital insurance, higher education, assistance to those in need and equalization payments to provincial governments. We must also stand ready to assume our obligations with respect to whatever decisions the provinces make on medicare plans that conform to our legislation. To all of these this parliament has given a high priority.

Our public debt charges are increasing. The costs of our own operations increase as prices and wages increase and certain of the benefits we pay, such as veterans' disability pensions, must in all fairness be adjusted from time to time. Even with no new programs or major improvements, our expenditures must rise substantially and absorb most of the growth to be expected in our revenues. Yet a minimum of new programs and projects is necessary if our policies and actions are to meet the needs of a changing economy.

We are determined in our present review to screen out obsolete expenditure programs that cannot be justified in present circumstances. My colleague, the President of the Treasury Board (Mr. Benson) later in this debate will be talking about the efforts which have been made and the successes which have been achieved. We are determined to wield the knife on everything which we feel has low priority in whole or in part. We are

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making real progress but we will continue to be engaged on this task for weeks to come before we present the estimates to the house. Decisions already taken have required departments to postpone or eliminate many items that may be desirable but which must take second place to our other objectives. Already the Treasury Board has eliminated \$650 million from the total amount requested by departments and agencies, and that is not the end. The President of the Treasury Board is grateful to those ministers who are responsible for the spending departments for the co-operation they have extended to him.

Mr. Lambert: On a point of order, Mr. Speaker, if the minister wishes to refer to deductions and reductions perhaps he could supply the house with the actual figures and tables and the references in which they appear. I shall have more to say about this matter. If the minister is to refer to such figures I think the house is entitled to the information for which I have asked.

Mr. Sharp: I have nothing more to say today. I thought that my remarks would interest the house. I have not used general figures. I thought it a good idea to mention the extent to which it is necessary to reduce expenditures.

Mr. Monteith: This is a red herring.

Mr. Sharp: This is not the important point, however. The important point is our objectives with respect to next year, and I wish to define those most precisely. The figures I have put forward here with respect to the cuts which have been made in prospective expenditures are not, I agree, the vital point. I thought it would interest the house to know the serious problem that the government has been facing in carrying forward its policy of exercising restraint. I may say, Mr. Speaker, that most of the programs which have been examined have ordinarily been supported not only by all sides in the house but in many cases have been thought to be most stingy. When we present these expenditures to the house in the estimates I hope that the opposition which has been making speeches about economy will be prepared to show a little restraint and not criticize the government for failing to spend enough money.

The government's objective for the next fiscal year is to reduce the budget deficit substantially below the level of the current fiscal year. I am not talking about savings here; I am talking about our objectives in