

● (1427)

**Mr. Horner:** Mr. Speaker, I am at a loss to understand the hon. member. Is he suggesting to this House and to me that we should break the auto pact? If that is what he is suggesting, I would like to know.

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[Translation]

### THE CANADIAN ECONOMY

#### INTEREST RATES PAID ON FOREIGN BORROWINGS

**Mr. Gérard Laprise (Abitibi):** Mr. Speaker, I wish to direct a question to the Minister of Finance.

In view of the fact that the Minister of Finance has announced that he has secured a loan of \$200 million from Canadian banks, and that he is about to seek from foreign sources a loan of equal or greater magnitude, if he has not already done so, could the minister clearly indicate to the House what the interest rate on both these domestic and these foreign loans will be, and how much these loans to support the Canadian dollar will cost?

**Hon. Jean Chrétien (Minister of Finance):** The interest rate in the case of the loan secured following the agreement signed last fall with a number of Canadian banks will be three-eighths of 1 per cent above the inter-bank rate in London.

**Mr. Laprise:** Mr. Speaker, I should like to ask the minister a supplementary question.

The minister's answer is somewhat vague. In view of the fact that we lend money to foreign countries, mostly without charging interest, and that Britain itself has with Canada an account of nearly \$1 billion at 2 per cent interest dating back to 1951, and in view of the fact that Canada is now experiencing great financial difficulties, can the minister tell the House if he has made arrangements to borrow on as good terms as Canada gives to foreign countries whenever it can?

**Mr. Chrétien:** Mr. Speaker, I must say that we do not borrow from Britain. I indicated the interest rate which applies for inter-bank deposits in London, and I do not think I can make myself any clearer.

### Oral Questions

## ROUTINE PROCEEDINGS

[English]

### HOUSE OF COMMONS

#### PRESENCE IN GALLERY OF UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

**Mr. Speaker:** I ask hon. members to join with me in recognizing the presence in our gallery of a very distinguished visitor in the person of a former Prime Minister of Denmark and now United Nations High Commissioner for Refugees, Mr. Poul Hartling.

**Some hon. Members:** Hear, hear!

## ORAL QUESTION PERIOD

[English]

### ESTIMATES

#### FORECAST OF GOVERNMENT SPENDING FOR 1977-78

**Mr. Harvie Andre (Calgary Centre):** Mr. Speaker, my question is for the President of the Treasury Board. On February 16, 1977, the President of the Treasury Board indicated that for fiscal year 1977-78 the total appropriations for government spending, including a reserve for future supplementals, would be \$46 billion. With the tabling of Supplementary Estimates B yesterday, we find that the total figure is \$47,600 million. What transpired in the last year that precluded the President of the Treasury Board giving the House and the people of Canada an accurate, or at least a close approximation of government spending plans for fiscal year 1977-78?

**Hon. Robert K. Andras (President of the Treasury Board):** Mr. Speaker, the total spending of the federal government for fiscal year 1977-78 will be at or below \$44,450 million. In saying that, I can point to the record of the previous year, 1976-77, when we announced that expenditures would be \$42,150 million and came in finally at \$41,078 million. For 1977-78 we will be at or below the figure which was announced, which was not \$46 billion but \$44,450 million.

**Mr. Andre:** Mr. Speaker, that is flimflam arrived at by doing dubious things with Crown corporation borrowings. Last year the President of the Treasury Board predicted future supplemental spending of \$1,850 million, which turned out to be \$3 billion, almost twice as much. What guarantee will the minister give the House and the people of Canada that this year's prediction of future supplementals of \$1,550 million is not more flimflam of the type we got last year?

**Mr. Andras:** Mr. Speaker, it was not flimflam; I have given the accurate figures. We committed to \$42,150 million in spending last year; the actual figure came in at \$41 billion, \$1 billion less than we committed. I say now that when the