

*Committee Report*

● (1502)

**Hon. Monique Bégin (Minister of National Health and Welfare):** Mr. Speaker, I agree with the suggestion of the hon. member and will be pleased to transmit it to my colleagues in provinces other than the hon. member's province.

I should make it clear, however, that each province is at a different stage in the development of extended health care service, and for that reason we could not impose upon all the provinces the minimum standards that were applicable under the hospital insurance and medical care programs. It is the responsibility of the provincial authorities to define what will be the less costly programs and equipment for them.

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**FINANCE****GOVERNMENT POLICY DISCOURAGING PROVINCES BORROWING FROM ABROAD—REASON FOR CHANGE**

**Hon. Robert L. Stanfield (Halifax):** Mr. Speaker, I should like to ask the Minister of Finance when the government changed its policy of discouraging the provinces from borrowing abroad, as this was the announced policy of this government and the minister is now complaining that the provinces are not borrowing enough from abroad.

**Hon. Jean Chrétien (Minister of Finance):** I have stated the facts, Mr. Speaker; I said that at this time the provinces are not borrowing enough from abroad: that is all.

**Mr. Stanfield:** A supplementary question. Since the minister refers to the current account deficit in connection with his reason for borrowing abroad, can I assume he must have a pretty up to date estimate of what the current account deficit will be during the fiscal year? Can the minister give us that figure?

[Translation]

**Mr. Chrétien:** Mr. Speaker, I will examine that question and give an answer if one is required.

**ROUTINE PROCEEDINGS**

[English]

**TRANSPORT AND COMMUNICATIONS**

First report of Standing Committee on Transport and Communications in both official languages—Mr. Campbell.

[Editor's Note: For text of the above report, see today's Votes and Proceedings.]

[Mr. Rynard.]

**MAIN ESTIMATES 1978-79****EXPLANATORY STATEMENT BY PRESIDENT OF TREASURY BOARD**

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1979, was presented by the Hon. Robert K. Andras (President of Treasury Board) and read by Mr. Speaker to the House.

**Hon. Robert K. Andras (President of the Treasury Board):** Mr. Speaker, the main estimates of federal expenditures for the fiscal year 1978-79, which I am tabling today, reflect the government's determination to ensure that Canada's economic recovery will be sustained and that the growth trend of federal spending will remain below the growth trend of the gross national product.

I am able to inform the House that the government has lived within the expenditure framework I made public last February. Total expenditures for the fiscal year 1977-78 were set at \$44,450 million and, as was the case in 1976-77, we fully expect total spending to be at or below this ceiling.

This is the third consecutive year that the government has disclosed its over-all expenditure framework, including both budgetary and non-budgetary outlays, amounts set aside for supplementary estimates and those submitted in the main estimates. It also includes all expenditure transfers to provincial governments and all transfers to individuals.

I point out that the percentage increase in total federal spending declined from 28.3 per cent in 1974-75 to 18.4 per cent in 1975-76, down again to 10.2 per cent in 1976-77, and dropped to 8.2 per cent in 1977-78. In short, Mr. Speaker, the government committed itself to restraint three years ago, has lived up to that commitment, and will continue to abide by that commitment. Restraint is, and will remain, a key concern of ministers in their ongoing review of policies, programs, and proposals.

Major changes have been introduced in the budgetary allocation process to improve further the effectiveness of cost controls, and to ensure that spending decisions conform even more rigorously to government priorities. Further changes are under consideration.

Treasury Board dealings with federal departments and agencies during the past year have provided ample evidence that the spending psychology within the government has been significantly altered. Of course we still face a number of rigidities in our attempts to stabilize federal expenditures further, some of which I will later draw to the attention of the House.

The notion that restraint is a temporary posture, a bitter medicine that we all have to take in this or that year but not in later years, the notion that the Treasury Board is somehow obligated to find additional funds for every worth-while program expansion or new program, and the notion that all is needed to get these funds is to join the spending queue—these notions, Mr. Speaker, have been definitely shattered. As a result, those who might have expected the government to