

THE SENATE

Wednesday, June 27, 1973

The Senate met at 2 p.m., the Speaker in the Chair.
Prayers.

APPROPRIATION BILL No. 4, 1973

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-204, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1974.

Bill read first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Leopold Langlois: With leave of the Senate and notwithstanding rule 44(1)(f), I move second reading now.

The Hon. the Speaker: Honourable senators, with leave of the Senate and notwithstanding rule 44(1)(f), it is moved by Honourable Senator Langlois, seconded by Honourable Senator Martin that this bill be read the second time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Mr. Langlois: Honourable senators, on March 29 last, approval was given for the first interim supply bill for the fiscal year 1973-74. That bill, which was Appropriation Act No. 3, 1973, was based on the 1973-74 estimates, and provided for the expenditures for the months of April, May and June, plus 18 additional proportions in the total amount of \$2,722,427,083.92. These estimates were tabled in the Senate on February 1, 1973. At this stage I should add that, as honourable senators will no doubt recall, Appropriation Act No. 1 and Appropriation Act No. 2 covered supplementary estimates (A) and (B) respectively, based on the estimates for 1972-73. The estimates on which the present bill was based were referred to the Standing Senate Committee on National Finance on February 1, 1973. These estimates were discussed in committee with Treasury Board officials on June 3 last. The 1973-74 estimates total \$19,286,514,765, consisting of budgetary expenditures of \$18,393,120,765 and of loans, investments and advances in the amount of \$893,394,000. The bill now before us provides for full supply for the balance of the 1973-74 main estimates, with the exception of a reduction of \$1,000 in vote 50 of the Secretary of State. This bill is in the same form as bills produced in the past and no additional borrowing authority is requested.

I would now like to refer to the remarks made last night by my honourable friend Senator Grosart when he drew a comparison between the growth in the gross national

product and the increase in government expenditures. In this he was reflecting on the contents of the report of the National Finance Committee, tabled in this house last week. It was explained in that report that the difference between the main estimates for 1973-74, of \$18,393 million and the main estimates for 1972-73, of \$15,749 million, was \$2,644 million, an increase from the previous year of 16.8 per cent. The difference between the main estimates of 1973-74 of \$18,393 million and a final authorization for the 1972-73 fiscal year of a total amount of \$16,514 million is \$1,845 million or an increase from the previous year of 11 per cent.

It is to be noted that these figures are not strictly comparable, as the main estimates of 1973-74 would likely be followed by supplementary estimates and thus increased for the current fiscal year.

It is worth noting the reasons for this difference between 1972-73 and 1973-74 government expenditures. In comparing the two, one finds that the major increases consist of the following items: first, an increase in statutory items which, as honourable senators know, are incompressible unless current legislation is changed by Parliament. These increases in statutory items are as follows: unemployment insurance commission, \$890 million; public debt program, \$263 million; fiscal transfer payment program, \$190 million; hospital insurance contributions, \$114 million; payments to rail and transportation companies, \$92 million; Canada assistance plan payments, \$84 million; medical care contributions, \$52 million; for a total of \$1,685 million.

Let us now have a look at the other major increases which are in the form of voted items. First we have defence services, \$246 million; accommodation programs, \$88 million; post office, \$85 million; development and utilization of manpower programs, \$71 million; international development program, \$41 million; Indian and Eskimo Affairs Program, \$39 million; Canadian International Development Agency, \$37 million; for a total of increases in voted items of \$607 million.

These figures are worth noting by anyone comparing these increases in government expenditures together with the growth of the gross national product. In this respect I have before me a table. I do not like to take up the time of the Senate to read it. It is a table of government expenditures at all levels of government as a percentage of GNP for the years 1961 and 1971.

The source of my information is National Income and Expenditures Accounts. With leave of the Senate I should like to table this document. But before doing so, I should like to draw the attention of honourable senators to the following figures. If they will look at the item federal government, total current expenditures, plus gross capital formation, less transfer to other levels, they will arrive at a net federal expenditure for the year 1961 of