

cost is going up by 91 per cent. I would like to put the federal government on notice that there are some very serious concerns here about policing within many communities. These communities will have to look at alternative forms of policing. They do not want to do this because they are very happy with the RCMP and the arrangements which they have had with them. They may also have to cut back on their policing because of the policy of this government to transfer much of that responsibility over to the provinces and the municipal governments.

Before closing, Mr. Speaker, I would like to point out some inconsistencies between what the federal government is trying to do and what is actually written in their document. I refer to the press kit fact sheet number four, which deals with the highlights of the ministry. I would like to turn to the entry under energy, mines and resources and deal specifically with Atomic Energy of Canada Limited. AECL had a budget in 1980-81 of \$144.2 million. That budget has been increased in the 1981-82 estimates by \$133 million to render a total for 1981-82 of \$277.6 million. This is a whopping increase for Atomic Energy of Canada Limited, especially when I know, as a member of the Standing Committee on Public Accounts, that this same Crown corporation came before that committee and asked for forgiveness of \$893 million because of some management, planning and marketing problems. There is no indication at this point in time that those problems have been rectified. At the same time, the government is allocating an increase of \$133 million to the same organization which is asking for forgiveness because of bad management, not necessarily now but certainly in the past. The things which enter into this are outstanding loans and bad planning, for example, with respect to the Glace Bay heavy water plant that is not promoting sales at the present time. That plant is stocking reservoirs of heavy water for future prospective sales and no marketing strategy has been outlined. Also the Laprade plant in Quebec is in a partially completed state and will never likely be used. AECL has mothballed it at a cost of several million dollars.

● (1720)

I should like to raise further questions on these matters when the minister is entertaining questions in terms of the estimates for this year. All in all, I do not see these estimates as being quite as drastic as do members of the Conservative party. Our party is concerned about the federal deficit and that there is a lack of control on the purse at this time, but I am very enthusiastic about some of the things which are happening in terms of improved accountability and improved information to Parliament respecting the revised estimates and the work of the office of the Comptroller General who, I feel, is doing a good job.

With those comments, I should like to close. I look forward to asking the minister some questions on the topic of the 1981-82 estimates.

**The Acting Speaker (Mr. Blaker):** Order, please. We are on statements by ministers. In the circumstances, there are no

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hard and fast rules. Accordingly, perhaps it would be advisable if I indicated what I think might be a reasonable procedure, but of course the Chair will be guided by the mood of the House.

First, I want to recognize the hon. member for Capilano (Mr. Huntington) who is the Treasury Board critic. Because he was unable to be here earlier, I would expect to recognize him for three or four questions.

Following that, my hope would be that hon. members might feel it satisfactory to deal with the matter by asking a question and a supplementary. As I said, it is not a ruling, it is a suggestion of the Chair, and matters will proceed in accordance with the mood of the House.

**Hon. Ron Huntington (Capilano):** Thank you, Mr. Speaker. I had to give a speech off the Hill at four o'clock and missed the privilege of replying to the President of the Treasury Board (Mr. Johnston) before this time.

I should like to refer him to page 2 of his prepared statement in which he compared the management direction of the Canadian government with the route upon which the United States administration has embarked. I notice that he tried to point out that the Canadian direction will be in line or parallel with the difficult task undertaken in the United States.

Recognizing that the President of the Treasury Board is a noted author of a book entitled: "Fiscalamity" and another book written in 1977, and recognizing his skill with the use of words, does he not feel he has gone too far in the third paragraph on page 2 of his statement? In actual fact, another way of putting it would be that the American deficit is 7 per cent of spending, whereas the Canadian deficit is 21 per cent of spending. In the United States, interest on debt as a percentage of revenue is \$1 of tax out of \$10 of revenue, whereas in Canada the interest on debt as a percentage of revenue is \$1 of tax out of \$4 of revenue.

In light of that information, I find a great deal of trouble reconciling or being sympathetic with his words in that paragraph, particularly when the direction in the United States is toward a balancing of its budget. If one looks at the projections in the estimates tabled by the minister, that does not seem to be the direction in which we are going. That is my first question.

**Hon. Donald J. Johnston (President of the Treasury Board):** Mr. Speaker, I would draw to the attention of the hon. member for Capilano (Mr. Huntington) the fact that my comments indicated that we have practised restraint. I pointed out in my text that the spending in 1974-75 was in the neighbourhood of a 28 per cent increase. Since 1975, the government has consistently applied a policy of restraint. Moreover, if one looks back to 1978 and to August, 1978, one will see that the exercise undertaken at that time was very similar to the one which has now been proposed by President Reagan. I suggest that the cuts, in terms of what is discretionary, are almost in the same order of magnitude. Going beyond that, with respect to the tax cut aspects of the United States package, I believe Canadians take for granted that they have