

the Minister of Finance. Since there is no long-term forecast in the mini-budget presented last evening by the Minister of Finance, I should like to ask him, what yardstick can businessmen in Atlantic Canada or, in fact, what yardstick can businessmen in all of Canada use as a guarantee that he is serious about his plans to reduce progressively the deficit?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I appreciate the hon. member's raising this question, because it gives me an opportunity to reiterate a point which I made in my statement last night and which has been almost totally ignored by comment; namely, that I would like it understood that the projections I outlined last night do not in any way constitute the expenditure plan or the planned financial requirements of this government for the fiscal year 1980-81.

An hon. Member: They are meaningless.

Mr. MacEachen: I thought it was important to give the House and the country—

An hon. Member: What do they mean, then?

Mr. MacEachen:—an up-to-date accounting of the situation as I found it when I assumed my responsibilities as Minister of Finance, and that I did.

An hon. Member: Normally, that is done in a budget.

Mr. MacEachen: These are projections, and I have indicated to the House that I propose to maintain a very tight control on expenditures—

Some hon. Members: Oh, oh!

Mr. MacEachen:—that through the introduction of a blended price on oil, we will be able to reduce both financial requirements—

Mr. Clark: And the size of the country.

Mr. MacEachen:—and the deficit by \$1 billion over the projection mentioned last night; and that I will be considering, when I frame my budget, revenue measures which undoubtedly would have an effect on any deficit for the fiscal year 1980-81.

An hon. Member: More taxes.

Mr. MacEachen: I want to assure my hon. friend that that is the situation as I defined it last night. He ought not to regard these projections as firm figures which I have accepted as a basis for planning.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Oral Questions

INCREASE IN GOVERNMENT BORROWING—EFFECT ON PROGRAMS

Hon. John C. Crosbie (St. John's West): Madam Speaker, my question is for the Deputy Prime Minister and Minister of Finance, who last night showed that in tackling our economic problems he has all the courage, determination and ferocity of Robert Burns' little mouse.

In view of the fact that the minister's forecasts show an increase in government borrowing of \$3.5 billion and an increase in government spending of \$3.7 billion for the present fiscal year, I want to know whether the Minister of Finance has consulted with the Minister of National Health and Welfare, who advised the country on March 23 that she had "done a lot of work in the income tax system" and discovered a hidden tax budget of about \$30 billion, including tax breaks which she thinks should be killed and which could be directed into special programs.

With this hidden tax system, with \$30 billion in savings in tax expenditures which the Minister of National Health and Welfare has found, has the minister inquired of her where they are? Will he promise us he will bring some of them in so that he can reduce his spending or his budget deficit as a result?

• (1140)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, the hon. member has a real fascination for mice.

Some hon. Members: Oh, oh!

Mr. MacEachen: I would describe him as the mouse which roared on the night of December 11, and whose roar turned into a whimper on the night of December 13.

I just want to tell my hon. friend that I am aware of the proposals, or the ideas that have been put forward by the Minister of National Health and Welfare. Obviously, they would be considered as we seek ways of not only controlling expenditures but, if necessary—and, indeed, if I followed the advice of the hon. member last night, it would be necessary—of levying additional taxes when I bring forward a budget. I appreciate his advance support for any possible increase in taxation.

Some hon. Members: Hear, hear!

Mr. Crosbie: There is nothing less intimidating than a fangless mouse.

Some hon. Members: Oh, oh!

Mr. Crosbie: The old bite has gone. The Minister of National Health and Welfare has said she wants to have re-examined and, by implication, eliminate exemptions for the aged, the married and for children, as well as those offered corporations.

Is the Deputy Prime Minister and Minister of Finance seriously considering doing away with the income tax exemptions for the aged, the senior citizen, married persons and children? Is that now under contemplation? Would he enlighten