

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. John M. Macdonald: Honourable senators, I understood that instead of speaking on the first first order I would yield to Senator Everett, who is prepared to speak on Order No. 3. I can proceed now, but I believe that was the understanding.

The Hon. the Speaker: Is it agreed, honourable senators?

Hon. Royce Frith (Deputy Leader of the Government): Well, the intention with regard to Orders 3 and 5 was that they should be dealt with together. They appear on the Order Paper separated by Order No. 4 which stands in my name, and I did discuss with Senator Macdonald whether we would start the day with Orders 3 and 5 and deal with them together. I think that was our understanding, so I ask that Order 4 stand and that Orders 3 and 5 be called first?

Senator Flynn: Are you asking also that Orders 1 and 2 stand?

Senator Frith: I am sorry, yes, that is correct. I had intended having them called first to see what would happen, but we could have them stand.

The Hon. the Speaker: Is it agreed, honourable senators, that Orders 1, 2 and 4 stand and that Orders 3 and 5 be called together?

Hon. Senators: Agreed.

THE ESTIMATES

CONSIDERATION OF REPORT OF NATIONAL FINANCE COMMITTEE ON SUPPLEMENTARY ESTIMATES (A)—DEBATE ADJOURNED

The Senate proceeded to consideration of the report of the Standing Senate Committee on National Finance on supplementary estimates (A) laid before Parliament for the fiscal year ending 31st March, 1982, which was presented on June 11, 1981.

Hon. Douglas D. Everett: Honourable senators, I will deal briefly with supplementary estimates (A). The report of the committee is an appendix to the *Minutes of the Proceedings of the Senate* of June 11, which you have before you now. There is only one item in the supplementary estimates, although it is a rather large one that concerns the petroleum compensation payments. The amount of the estimate is \$2.1433 billion, raising the total of the petroleum compensation payments to \$5.1587 billion.

If senators consult the report, they will see that it does give a breakdown of the items that go into that increase, and I might just say that legislation will be introduced to permit the compensation fund to operate as a revolving fund and receive revenues through the petroleum and special compensation charges, and, as it does now, make payments which are called petroleum compensation payments. The only item that will

[The Hon. the Speaker.]

appear in the budget will be the difference between those two items.

I might say that had this method been followed for the main estimates for 1981-82, the total of the main estimates would have been reduced by over \$2.5 billion, and if it had applied to the main estimates and to this supplementary estimate (A), the total of these two estimates would have been reduced by over \$4.81 billion.

I think that is all I need to say on that particular subject. If there are any questions, I will do my best to answer them.

On motion of Senator Lamontagne, debate adjourned.

CONSIDERATION OF REPORT OF NATIONAL FINANCE COMMITTEE ON MAIN ESTIMATES

The Senate proceeded to consideration of the report of the Standing Senate Committee on National Finance on the estimates laid before Parliament for the fiscal year ending 31st March, 1982, which was presented on June 10, 1981.

Hon. Douglas D. Everett: Honourable senators, I should like to deal with the report of the Standing Senate Committee on National Finance on the main estimates, which was presented and printed as an appendix on June 10.

Senator Roblin: You will find that referred to at page 2500 of *Hansard*.

Senator Everett: Yes, that is right. It is at page 1265 of the *Minutes of the Proceedings of the Senate* for June 10.

Under the heading of the estimates for the year ending March 31, 1982, we have been continuing our hearings in the National Finance Committee on the subject of government policy and regional disparities. I believe we have had 41 hearings on that particular study. Today we concluded those hearings with the appearance of the Minister of Finance and President of the Treasury Board of the Province of Newfoundland. The committee will be meeting during the next two days and we hope that the first draft of our report will be completed during the summer recess.

Also in respect of the main estimates we heard from the Chairman of the Economic Council of Canada; the Governor of the Bank of Canada; the Deputy Minister of Finance, and the President of the Treasury Board. If honourable senators consult the report, which can be found in the *Minutes of the Proceedings of the Senate* for June 10, they will see a report of the evidence given by those witnesses. I will not go over that because it is there to be read, but I should like to give honourable senators some brief thoughts on the position of the Canadian economy at this time, as I see it.

I suppose it is true to say that it is hard to think of an economy being in a worse position. We have high and accelerating inflation. Today businesses raise prices and everybody just treats them with a shrug. You go to a hotel at which you previously paid a rate of \$65 a day and find that you now have to pay \$85, \$90 or \$100 a day, and you just say, "Oh, that is inflation." You go for a meal and find that the price has increased by \$4 or \$5, and you say, "That is inflation."