

Main Estimates

I would also expect that the government's current review of energy policy will lead to adjustments in the level of funding for a number of energy-related programs. The \$2.6 billion provision in the 1980-81 main estimates for oil import compensation payments is based on the previous government's domestic oil pricing strategy and on world oil prices as forecast last December. This forecast will be adjusted to reflect the impact of more recent changes in world oil prices as well as the effect of the domestic pricing arrangements being developed by my colleague the Minister of Energy, Mines and Resources (Mr. Lalonde).

● (1610)

The government is also reviewing the capital financing arrangements for Petro-Canada. Until 1979-80 the government had been assisting Petro-Canada with its capital financing requirements through the annual purchase of equity shares in the company. The previous government suspended this financing arrangement and planned to provide for no equity purchase in the 1980-81 estimates. Last month this government took the first step in restoring the planned level of financing for Petro-Canada by providing an \$80 million equity investment for the corporation's 1980 financial year. We will be considering further requirements for Petro-Canada in 1980 as part of our over-all energy policy and any adjustments will be reflected in future supplementary estimates.

I would also like to indicate to hon. members that the 1980-81 main estimates for the employment and insurance program reflect that the administrative costs of the national employment services are now being recovered in full from unemployment insurance premium revenues. In addition, it was assumed in determining the main estimates level for the government's contribution to the unemployment insurance account that the Unemployment Insurance Act would have been amended by April 1, 1980, to eliminate the threshold rate so that the first two phases of unemployment benefits would be paid entirely from employer and employee premiums. The legislation has not yet been amended and my colleague the Minister of Employment and Immigration (Mr. Axworthy) plans to make a full statement on this subject.

Madam Speaker, there are a few of the items which may have their main estimates funding level adjusted to reflect this government's policies and programs.

The main estimates which I tabled today represent an increase of \$5,971 million compared to those of last year. This is comprised of a \$1,123 million decrease in non-budgetary outlays and an increase of \$7,094 million in budgetary expenditures. Two major items account for 53 per cent of the increase in budgetary expenditures. Oil import compensation payments have risen by \$1,861 million and public debt charges are up \$1,925 million over the 1979-80 main estimates. The other major sources of the \$7 billion budgetary increase are the other transfer payments, principally to other levels of government, which account for 19 per cent; payments to Crown corporations, which account for 11 per cent; and national defence, which represents 10 per cent. The costs of all

other operations of government represent only 7 per cent of the total growth. In other words, more than 83 per cent of the increase in budgetary spending will be transferred to other governments, individuals, and corporations in Canada or paid in interest on the public debt.

In 1975-76, the government set out to reduce the growth in person-year requirements in the public service as part of our over-all policy of restraint. The 1980-81 main estimates show the second consecutive annual reduction in the absolute number of authorized person-years to be used in the public service. The reduction of 6,685 person-years in 1978 resulted in a total of 1979-80 authorization of 318,435. Now, a further, 5,840 person-year reduction is reflected in these main estimates, which establishes the size of the public service at 312,595 for 1980-81.

Madam Speaker, in addition to the 1980-81 main estimates, I also tabled today the supplementary estimates (A) for 1980-81. These supplementary estimates cover new items which are not included in the 1980-81 main estimates. I have also included in these supplementary estimates a number of urgent items carried forward from 1979-80 which did not receive approval before Parliament was dissolved last December. These supplementary estimates provide for the outlay of \$232 million.

I am also pleased, Madam Speaker, to have tabled two further reports on government spending. The first is a report on the 1979-80 estimates. This report summarizes the financial requirements of the ministries of government during 1979-80 and the use of spending authorities not provided in separate statutes, namely, Governor General's special warrants, the interim supply bill of last autumn and the supplementary estimates which received full supply. I have also tabled, in accordance with the provisions of the Financial Administration Act, a report on the use of Governor General's warrants since December 14, 1979, when Parliament was dissolved.

[Translation]

In concluding, Madam Speaker, I would also like to expand for the information of hon. members on the intentions of this government as they were expressed in the Speech from the Throne to carry out the policy of cutting down expenditures, to improve the efficiency of government programs and to provide Canadians with a more efficient government. To reach that objective, this government will pursue an integration of its expenditure policy and management.

In essence, the approach adopted by this government consists in establishing within its over-all spending program a set of budget portfolios which represent for each of the policy committees of cabinet a clearly defined planning structure applicable to a policy area. It will thus be possible to give every committee the responsibility to plan and make decisions dealing with policies and programs based on available resources in each sector. With that rationalization of policies and related spending authorities, it should be easier to pursue the examination of new or existing programs and to get the most out of the resources available.