

I suspect we will not be devoting too much time to the portion relating to loans, investments and advances. I can come back to that if honourable senators wish me to do so. Otherwise, I will concentrate my attention for the moment at least on the total of budgetary expenditures for which parliamentary authority by way of appropriations is in large part required.

This figure of \$9,535 million compares with 1966-67 Estimates, which totalled \$8,795 million—so we are up, in terms of the Main Estimates over the total Estimates of last year, by \$740 million.

However, I should put one additional figure on the record, although this comparison is not altogether a fair comparison, for reasons which I will explain later. The Main Estimates for 1966-67, as distinct from the total Estimates by the end of the year, were just under \$8 billion—something of the order of \$7,950 million.

Senator BEAUBIEN (*Bedford*): Last year?

Dr. DAVIDSON: Yes, last year. If I may sum up this broad outline, to compare the main Estimates for 1966-67 as printed in the Blue Book a year ago, with the Main Estimates for the current year as tabled last month, the difference is between \$7,950,000 and \$9,535,000.

If you set out to compare the total Estimates as Parliament officially approved them for the fiscal year 1966-67, to the Main Estimates of the current year, it is a comparison between \$8,795,000 and \$9,535,000.

Senator HAIG: An increase of \$739 million?

Dr. DAVIDSON: Yes sir.

Senator BEAUBIEN (*Bedford*): What are we contemplating in that \$9½ billion? Is that considering the people actually on the payroll now, or is that considering people expected to be on the payroll during the next twelve months?

Dr. DAVIDSON: Senator Beaubien, this does not relate to payroll only but to the totality of Government expenditure.

Senator BEAUBIEN (*Bedford*): I know, but there is a lot in it that deals with payroll.

The CHAIRMAN: It deals with salaries as well as other items that come into the Government account.

Dr. DAVIDSON: That is correct. It takes account of anticipated increases in the establishment, anticipated increases in the salary levels during the year, and it takes into account to a greater extent, I think I can say than our main Estimates have ever taken into account before, all the foreseeable items of expenditure that we can set down at the beginning of the year as required to meet the obligations of the Government in the fiscal year ahead.

I stress this latter point because, as I said once before when I testified before the committee, Mr. Chairman, we have endeavoured in the main Estimates this year to follow the advice of the Senate Finance Committee and to bring to the main Estimates certain large items of expenditure which we know full well we are going to incur but which for a variety of reasons in previous years it has been the practice to leave out of the main Estimates and bring in only at a later stage sometimes in the final supplementaries.

Senator HAIG: Dr. Davidson, in the last supplementary Estimates you got last year there were certain items you knew at the beginning of the year were going to be charged against the Government, so now you are including those in the main Estimates.

Dr. DAVIDSON: That is correct: The total of what I have just referred to as items that we are presenting in the main Estimates this year—unlike previous years—amounts to \$353 odd million.