

*Estimates*

What did Treasury Board take into consideration to approve an additional \$133.4 million in excess of their 1980-81 budget? How can Treasury Board justify approving that kind of increase when at the same time AECL is in debt to the tune of \$1.2 billion?

**Mr. Donald J. Johnston (President of the Treasury Board):** Mr. Speaker, the question is one that would more appropriately be asked in committee of the Minister of Energy, Mines and Resources (Mr. Lalonde) who has responsibility for AECL. With respect to the \$800 million-odd write-off to which the hon. member made reference, that decision was made on the recommendation of the Comptroller General of Canada in keeping with the over-all policy decision with respect to loans outstanding to corporations where there is no likelihood of repayment. It is deemed to be good accounting practice for the government to write off such liabilities. That is the reason for the change of status of that amount. With respect to the expenditure program of AECL and the necessity of increased capital, that question should properly be put to the minister responsible in committee.

**Mr. Charles Mayer (Portage-Marquette):** Mr. Speaker, I have a question of a general nature. We heard about the western development fund in the throne speech and reference to it by the Minister of Finance (Mr. MacEachen) in a speech in Montreal recently. I do not want to ask the President of the Treasury Board (Mr. Johnston) for specifics, but I would like some kind of indication as to whether that kind of fund has been allowed for in his estimates and if we can look forward to some announcement on the start of the expenditure of those funds. Many of us have written to the appropriate ministers asking for some kind of information on how these funds will be allocated. I would like an indication whether the expenditure of this money is allowed for in the present estimates. Can we look forward to some of these programs being announced under the western development fund in the near future.

**Mr. Johnston:** Mr. Speaker, the expenditure plan identifies \$2 billion in total over a period of three years to 1983-84 of which \$350 million is allocated to the year under consideration, 1981-82. The details of the expenditures in respect of that \$350 million will be brought forward through supplementary estimates. The details are not included in these main estimates.

**Mr. Gordon Taylor (Bow River):** Mr. Speaker, the President of the Treasury Board (Mr. Johnston) mentioned there have been tax cuts since 1975. I wonder if the hon. minister can reconcile the fact that, with these tax cuts, there will be increased borrowings and increased deficits.

● (1810)

**Mr. Johnston:** Mr. Speaker, I think that is a question for the Minister of Finance (Mr. MacEachen), but it seems to me to be very easy to reconcile. If you take the year 1980-81, in which the tax cuts that I referred to contributed to lost revenue of \$7.5 billion, had that revenue been received it would have gone a long way towards reducing the deficit.

**Mr. Dave Dickerson (Western Arctic):** Mr. Speaker, I have two very brief questions. In the amounts of moneys to be voted for transfers from the Department of Finance to the provinces, some \$3.9 billion, I notice that the effect of the passage of Bill C-24, the Fiscal Transfers Act, has not been taken into account. I wonder if the President of the Treasury Board (Mr. Johnston) could give us a rough estimate of the difference that would make, the reduction in that estimate that would be brought about by the passage of Bill C-24.

The second question, Mr. Speaker, is as follows: The President of the Treasury Board refused to tell us, when questioned by the hon. member for Mississauga South (Mr. Blenkarn), what his estimate of the additional funds needed for the servicing of the public debt might be, in light of higher interest charges that prevail today and the low value of the Canadian dollar, which will affect the amounts of money needed to make interest payments on foreign loans.

I would like an assurance from the President of the Treasury Board, although he refuses to make this information public, that there are people within the Public Service of Canada who are studying these matters and have, indeed, made these estimates, because it would appear to me that a great deal more public funds are going to have to be voted by way of supplementary estimates for this very reason.

**Mr. Johnston:** Mr. Speaker, with respect to the first question, I am not able to answer that, nor do I think it would be appropriate. I am here basically to answer questions in respect of the main estimates, which take into account the legislation as it exists at that time: it is a snapshot taken at a period of time.

With regard to the second question, the Department of Finance has responsibility for developing the kind of information to which the hon. member makes reference, and when that is conveyed to Treasury Board the appropriate adjustments are made. I would point out, however, that the spending plan provides, or the expenditure framework, provides for a total of \$3.6 billion for the 1981-82 year. This is designed, of course, to provide for adjustments both to the statutory programs and to the voted programs; so that is where any adjustment would have to be made in terms of the public debt brought within the expenditure framework ceiling.

[*Translation*]

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, my question is of a general nature and relates to statements made last year by the President of the Treasury Board before certain committees, particularly the Standing Committee on Miscellaneous Estimates, and having to do with the reforms that were to be made to the presentation of the main estimates.

[*English*]

Mr. Speaker, I want to ask the minister if he still intends to present the members of this House, or a committee of this House, with the pilot projects he alluded to last year. I think one dealt with the service side of Supply and Services, and the other with the question of services. These were to be given to