

*Estimates*

Shall I take guidance and reduce spending on the arts and humanities? Shall I take guidance and reduce expenditures on welfare, as the hon. member suggests? Shall I take guidance . . . that is the kind of guidance I am not taking from the Leader of the Opposition . . . or from the President of the United States.

Who is in control of this government?

**Mr. Baker (Nepean-Carleton):** Nobody is in control.

**Mr. Crosbie:** Is it the Minister of Finance, who is anti-Reagan and anti-everything he stands for, according to *Hansard* of February 19; or is it the President of the Treasury Board, who today trots out President Reagan and says that he has "out-Reaganned" Reagan. That is what he said in his statement here today, that he is rapidly moving ahead with work programs. What are the work programs that he is rapidly moving ahead with that are going to cut our budget just as much as President Reagan is cutting the budget of the United States of America? The people would like to know that, Mr. Speaker. Let us move along; time passes; we cannot spend too much time on this preliminary look.

Mr. Speaker, the government is planning to spend \$3.8 billion more next year than would have been spent were we still in office. They continue in their spendthrift ways. I do not know where President Reagan comes in on this. This President of the Treasury Board has had to admit to this serious situation—and it is serious. The public debt of Canada is going to cost us, in 1981-82, according to the estimate—and it is a low estimate because it is based on interest rate assumptions now out of date—\$12,350 million. That is more than the entire budget of Canada was less than ten years ago. A huge amount of money!

The taxpayers of Canada are going to have to cough up in taxes this year, or they are going to have to lend to the government, sufficient funds to pay \$12,350 million: 19.1 per cent of the government's spending, according to their own figures, and it is actually much higher, is going to go in interest payments and debt charges on the public debt. Hon. gentlemen over there may be able to say that that does not worry them. They are not worrying because they are only thinking of the short term. They never think of the long term. They are not worrying about what is going to happen to Canada in four of five years' time when this is up to 24 per cent, 25 per cent or 30 per cent, where it is headed to if hon. gentlemen opposite stay in office. They are not worried that so much of the revenue taken from the people of Canada has to go out entirely—it does not provide a service. It provides nothing. Just to meet their profligate spending of the last ten years, all these interest payments have to go out. They have had deficits every year since 1972-73, and this year they now say they are going to have a deficit of \$13.7 billion. They say their deficit last year was \$14.2 billion, and this year it is going to be \$13.7 billion. If you apply 10 per cent only in interest to the \$13.7 billion they are going to borrow this year, that is some \$1.37 billion more in interest costs alone in the year following that, and on and on and on it goes under these gentlemen. But they do not care. They do not worry. They are not worried about anything like that. What are they going to do? Well, the minister talked about a document, or one of his

releases deals with federal transfers to the provinces, territories and municipalities. Where the government thinks it is going to save some money next year and the years to come after that is on hospital insurance, medicare, post-secondary education, extended health care programs, equalization. Just look at the figures attached to this document of February 25, 1981, and see what the minister is going to do. The minister is now going to squeeze the provinces. The provinces that this government forced into a position where they could not refuse to come in on these programs are now going to be left stranded and told by the Government of Canada that they have to accept more and more of the burden for these programs that were instituted under the pressure and direction of the Government of Canada. This is where they think they are going to achieve their savings.

● (1700)

With respect to fiscal equalization, Newfoundland got \$416.7 million in 1981-82, or that is the estimate. Newfoundland got \$79.7 million for hospital insurance, \$27.4 million for medicare, \$50.7 million for post-secondary education and so forth. All together total cash transfers amount to \$730 million. The total altogether across Canada is \$13.783 billion. This is where the government says it is going to save the money. It is going to squeeze Newfoundland until the pips squeak because Newfoundland will not do its bidding, and it is going to squeeze the provinces. It is not going to worry about its debt payments or how they are mounting up or whatever else they are going to do. It is just going to squeeze the provinces, and the minister gives us the figures so we can see just what that is going to cost them.

There was a boast. The minister boasts. I am not sure whether he does or not. They have been boasting that they are spending more on economic development. Well, it is significant that they are spending less on economic development. The expenditure envelopes have changed. Instead of spending \$7.155 billion on economic development, they are going to spend \$6.873 billion. So there is a diminution in their emphasis and priority on economic development.

We have to point this out to show you how quick we are mathematically and how in a quick few minutes I could do this computation. The estimated cost of services for the government in 1980-81 was \$4 billion. That is the cost of services performed, people carrying out services for the government, overhead. In the fall, the Minister of Finance projected that the cost for this year, 1981-82, would be \$4.5 billion. But now in the document tabled by the President of the Treasury Board that spending is up to \$4.7 billion, a 17 per cent increase in the overhead. Already, since October 28 they have had to revise spending on their own services, their own fat cat selves. They spend on the hiring of Liberal consulting firms, the hiring of Liberal lawyers—all these very, very valuable services, the doing of surveys, the carrying out of polls, this kind of service. The spending there is going from \$4 billion to \$4.7 billion.