

nues. Here we are merely looking at the expenditure side. I suggest, Madam Speaker, that had the Conservative administration had the opportunity of tabling these same main estimates, they too would have produced an expenditure plan far in excess of the authorization of \$58.4 billion—

**Mr. Stevens:** No. No.

**Mr. Johnston:**—because they too would have had to deal with increased oil prices—

● (1650)

**Mr. Stevens:** No. Read the December 11 budget.

**Mr. Johnston:**—and they would also have had to deal with the increased debt costs.

The budget, in further response to the hon. member's question, did indeed provide for a substantially lower deficit, but almost entirely because of the imposition of an 18-cent per gallon excise tax at the gas pump which this government, as a policy matter, rejects. Hence, it is inconceivable that the deficit—having rejected that particular source of revenue which was regarded as regressive by the Liberal government—could not have been larger than that projected in the December budget figures.

**Hon. Perrin Beatty (Wellington-Dufferin-Simcoe):** Madam Speaker, the President of the Treasury Board (Mr. Johnston) finally disclosed the cost of one discretionary expenditure, and that is the increase to the GIS.

With regard to the statement made by the hon. member's leader in Toronto on January 12, 1980, where he issued a five-point policy of the Liberal's economic strategy, the fifth point is this:

Finally, in this election campaign we pledge that any new expenditure programs to meet the evolving needs and requirements of Canadians will be financed by reallocating existing expenditures or by increases in revenues. We will not add to the deficit by adding new programs.

I ask what cuts is the minister making in existing programs, or what revenue increases are anticipated to compensate for the \$345 million of new spending on discretionary programs which the minister is dealing with today?

**Mr. Johnston:** Madam Speaker, I believe it was indicated during the course of the campaign that the guaranteed income supplement, the \$35 a month, to go to each household is essentially to bring people below the poverty line up to the poverty line, which I suggest is a sound and important program with which I would hope the hon. member would agree. That was to be financed by a corporate tax of some form. As I understand it, that is the technique, and as I recall, the Minister of Finance indicated last night that the corporate surtax, the creation, conceptually at least, of my hon. friends, would be used in part for that purpose.

**Mr. Stevens:** Madam Speaker, what we have before us is an admission on the part of the President of the Treasury Board that the main estimates that he is now recommending to Parliament for a total expenditure of \$58.4 billion are equal to

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the entire anticipated expenditure that was set out in the budget of December 11 by my colleague the former minister of finance. In short, the \$1 billion rough reserve that was in there has been used up, and we now have the Minister of Finance, presently in office indicating that there may still be another \$2 billion required in total expenditures before the government is through.

What I find most unbelievable today is that the President of the Treasury Board cannot simply explain how he arrives at this figure of \$60.4 billion. We must be left only to conclude that this is a figure that was established by the Department of Finance and later communicated to the President of the Treasury Board, and he does not have any more idea than any of us as to where that figure came from.

Let me put this to the President of the Treasury Board. As I understand it, he indicated that the total debt charges in fiscal 1980-81 were to be \$10,275 million. Perhaps he could answer that.

**Mr. Johnston:** Madam Speaker, I am referring, of course, to the the amount provided for in the main estimates. The amount provided for public debt in the main estimates is \$10,275 million, representing 17.7 per cent of the total budgetary expenditures.

**Mr. Stevens:** Madam Speaker, perhaps I could ask for a clarification of that. The figure my colleague asked for is the estimated total debt charge for the coming fiscal year 1980-81, not just what is expressed in the main estimates but what is in fact the total debt charge? When the President of the Treasury Board is answering that question, perhaps he can reconcile for us his statement that there will be further funding for Petro-Canada in which he says that we will be reconsidering further requirements for PetroCan in 1980 as part of our over-all energy policy, and any adjustments will be reflected in future supplementary estimates.

Could the President of the Treasury Board reconcile that with the revelation last night on the part of the Minister of Finance, which may be pure fudging, that the advances, investments and loans to Crown corporations are only going to be \$600 million in the current fiscal year compared to \$1,250 million? How is it that their projection as revealed last night shows over \$600 million less going into Crown corporations when he indicates that PetroCan is actually going to get more?

**An hon. Member:** Inconsistent.

**Mr. Johnston:** Madam Speaker, I find no difficulty in reconciling those two statements. That is a question of numbers. It is a question of arithmetic. It is a question of where less funds are going in and where more funds are going in. PetroCan happens to be a priority of this government, and what the Minister of Finance indicated last night was fully in keeping with that priority.

Returning to the hon. member's first question, by my calculation the total debt provided for at the moment, projected—