

*The Budget—Mr. Lewis*

programs of the government we must increase the size of the public service of the government, because programs cannot be carried out without the people to do the work that needs to be done. I suggest that one is being utterly irresponsible when he demands cuts in expenditures and at the same time demands these increases in services and costs. I am certain, however, that the spokesmen for the official opposition will not make clear what programs they want to have cut, because they know perfectly well that the people of Canada will not stand for the erosion of their security and welfare which the curtailment of any of the major programs would involve.

As I have said, it may be popular to cry that the government should cut down its expenditures, but in our view it is irresponsible to do so without naming the fields in which the cuts should be made. Of course, we should also improve our housekeeping and staff organization in order to achieve whatever savings are possible. I was struck forcibly by the very profound and meaningful statement of Professor Galbraith, which I should like to quote. I commend this to all hon. members of the house, if I may, with humility:

nearly all of the investment in individuals is in the public domain and almost all of it is outside the market system.

It is my profound belief that whether public expenditures are in the field of cash payments to the old, the young and the ill, the unemployable and the unemployed, whether they are in the field of expanding educational opportunities or cleansing our waters and our air, whether they deal with the provision of decent homes, the clearing of slums and the planning of our urban communities and whether they are spent in the promotion of industrial expansion and increased productivity, all these expenditures are an investment in the future of the people of Canada and, to the extent that we assist peoples elsewhere, they are an investment in the future peace of the world. Without these expenditures life would be intolerable for the poor and dismal for the well-to-do.

I therefore say frankly that the time has come to abandon the out of date attitude toward government spending which was shown by the spokesman for the official opposition. We should cease to regard it as an evil to be contained. Full employment, expanding economic growth and social advance cannot be built by individuals themselves and cannot be left to the irrational

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and arbitrary functioning of the marketplace. They are the responsibility of the nation or the community. They can only be achieved collectively through our parliament, our legislatures and our municipal governments.

However we believe there is one field in which our present expenditures are massive and extremely questionable from the point of view not only of Canada but also from the point of view of our trying to build a more peaceful world. I refer to our defence expenditures. I suggest to the government that if they want to cut expenditures they should reassess our military commitments to NATO, which were made 20 years ago when they had some relevance to the situation in Europe but which now are no longer relevant. This alone could bring about a saving of hundreds of millions of dollars. I suggest there is no reason now that we should not cut out our contribution to NORAD, since it has proven to be completely obsolete with the development of nuclear weaponry.

I suggest, as my leader suggested on November 20 in this house, that we should postpone the construction of the two support ships and drop the purchase of the CF-5 aircraft. If all these things were cut out we would avoid unnecessary expenditures in the large amount of \$500 to \$600 million. I do not wish to go into the details of this now, because there will be other opportunities to do that. However, if the minister had achieved these savings he could have avoided his sadistic attitude toward the taxpayers and would have been able to avoid the additional income taxes.

There is in the budget another sop to the wealthy. Not only is there no increase in corporation taxes, but the minister will start repaying the puny refundable tax in the next fiscal year. I suppose he will say this is because of an undertaking he gave when he imposed the tax. In any event he will repay in the next fiscal year \$105 million, and \$139 million in the following fiscal year.

**An hon. Member:** He owes it.

**Mr. Lewis:** Someone suggests the minister owes this, but the minister changed the income tax a couple of years ago after a former minister of finance had reduced the tax. This minister imposed the tax again. This is the law of the land and the minister could change this arrangement in the same way he has changed the arrangement with regard to the ordinary taxpayer.