

Government Spending

are not being given the supplementary estimates and why we will not get the total package until this program is out of the House and out of this parliament.

In June of 1975, the minister indicated that there would be a budgetary deficit of \$3.175 billion. The President of the Treasury Board never gives us the correct facts because he is never listening when he is being told something factual. We were told the budgetary revenues would be \$25.725 billion and budgetary expenditures \$28.9 billion, leaving a deficit, which I think even the minister would be able to calculate, of \$3.175 billion. My leader was talking about deficits, and the President of the Treasury Board responded in those terms. I can only gather that he was so excited at the successful speech of my leader that he was not able to direct his attention to the true facts. I believe, assuming that collection and spending patterns remain the same and that there are no major alterations in federal fiscal policy in mid-year, the past patterns of financial operation can be applied to existing revenue and expenditure figures for the first four months of fiscal year 1976. Actual revenues can be expected to be \$25,508 million, and expenditures \$33,232 million.

From that we draw the inference that there is a very serious likelihood that the budgetary deficit will not be \$3.175 billion, but \$7.724 billion. This information the government is either hiding or is ignorant of. In either case it deserves to be severely castigated for its failure to come clean with the country, in view of the very serious situation we are facing at this time in our history. In this situation, with this knowledge behind the government, it is no wonder the Prime Minister and his colleagues cannot summon the sincerity that is absolutely essential to convince the people of Canada that the government means what it says and intends to involve itself in some form of restraint.

May I just take another two or three minutes to finish what I have to say. My colleague from South Shore (Mr. Crouse) is going to deal in some detail with the latter part of our motion, but I want to put on record a couple of sentences or so about it. The minister said today that he would be bringing in a bill shortly, or within several weeks. I hope he is right. If this motion does nothing other than compel the government to do this, then it will at least have been valuable.

It is ten years ago that we first asked that there be legislation to deal with the Auditor General, some form of separate legislation. We have been up and down the scale, year in and year out, with the government hiding, with the government being guilty of deception, with ministers like the Minister of Public Works (Mr. Drury) who are very gun-shy of the Auditor General, using all their power and authority to prevent such a bill being brought in. We have been fooled and deceived too often and I would warn the minister, as I warned the President of the Privy Council (Mr. Sharp), that we intend to keep on at this and see that legislation is brought in.

After all, Mr. Speaker, as the hon. member for Champlain said, waste and extravagance may not amount to so many billions of dollars; but when I go into a supermarket, as others of my colleagues do from time to time, and see harried men and women concerned and anxious, people who with their families must pay every attention to their

[Mr. Baldwin.]

expenditures, then it is essential that as an earnest of the government's intentions it bring in this legislation within two or three weeks. We will then know that the government is attempting to show the people of this country that their money is being properly and wisely expended.

Mr. Herb Breau (Gloucester): Mr. Speaker, I think the hon. member for Peace River (Mr. Baldwin) said he had heard the speech of the President of the Treasury Board (Mr. Chrétien) six times. I must say that the only new thing I learned from the hon. member's speech was that he does his shopping with his wife on weekends. In fact, his speech is a repetition of many of the things we have heard in the past.

Mr. Baldwin: Not only on weekends.

Mr. Breau: That is even better. This motion gives me the opportunity of putting forward my views on government spending and on the myth being spread by some prominent members of the Conservative party, perhaps because of events to occur next February, that government spending is inflationary and so bad for society. I think that is a myth. The President of the Treasury Board indicated earlier this afternoon the percentage of government spending that is statutory, which means it is provided for already by legislation. He also pointed out many cost-sharing programs which we have with the provinces.

• (1710)

Putting aside for a minute the conventional questioning about government spending to regulate the income and the impact of government spending on inflation and the cost of living, one can see that there is little room in this country for more government spending to have the necessary impact on the economy. Just under 20 per cent of the federal budget this year is directly related to operational and capital expenditures. In other words, any amount of money that you cut must come from those areas of operational and capital expenditures controlled by the federal government. That is the only area you have to work on. For that reason, I suggest those people who speak about the possibility of substantial cuts in government expenditure cannot be serious unless they are referring to statutory programs.

If these members are referring to those programs, they must keep in mind that this would drastically change our social structure and our federal-provincial relationships. Surely, this would bring us back to the situation that existed 10, 15 or 20 years ago when a lot of people in this country were living without opportunity, and many in misery.

The role of government in society has changed. Following the Second World War, the western world concentrated its efforts toward economic development. Then the 1960s and the 1970s came along and everyone realized that in order to maintain a stable society in which people could live a decent life, governments would have to attack many serious problems. Governments had to be more concerned with social development. This is why we spend so much money today on statutory programs, and it is why we have such a high investment in social programs today. This is directly the result of the changing role of government in modern society.