

political reasons, and I can appreciate that, but I say to him that when Governments look at the financial situation that they find themselves in, either provincially or federally, those are the conditions that have to be applied.

The Liberals like to put forward the notion that they have nothing to do with the legacy, it is not theirs, they are not responsible. Today, for example, they say, do not change the pension conditions. If you take a look at just the revelations of today, you will not hear them say anything about the fact that they lost on behalf of the Canadian taxpayers more money through scams on the research tax credit than the total amount that is identified for five years on the pension plan.

Some Hon. Members: Shame, shame.

Mr. Epp (Provencher): If that is the case, Mr. Speaker, I point out to them that it is those kinds of losses, that kind of profligate spending that has not put this Government into the situation it finds itself, but has put Canadians into that situation. That is the point of departure, I would suggest, that all of us have to take a look at.

I am saying to the Hon. Members in the House today that what the Prime Minister (Mr. Mulroney) said yesterday—the reasons and the assurances that he gave that we would be monitoring the impact carefully and we would take remedial action as circumstances warrant it and as resources permit it—that commitment which the Prime Minister gave yesterday stands.

It is clear that the proposal that is the subject of the debate today was not introduced because of some ideological zeal to cut spending for its own sake but a trend in the public finances of Canada which would, if not arrested, have led us in a relatively short period of time to a point where today's hard choices would have been replaced by even harder necessities.

Just 10 years ago, only 11 cents of every dollar that the federal Government spent went to pay interest charges on the debt, and 50 cents of every dollar spent by the federal Government went to programs in the social policy envelope. In the fiscal year just ended, 22 cents of every dollar of spending went to pay interest, double the amount of just 10 years ago, and just 43 cents of every dollar was available for programs in the social envelope. Those were budgetary realities, spending realities of the former Government. I am sure when they looked at those statistics, they also took no comfort in the fact that the amount of money available for social programs had declined over the last 10 years and the reason it had declined was not because the government expenditures had declined but rather because there was less money left from government expenditures because of the ever growing cost of maintaining the debt.

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In fact, we spent more last year to pay the interest on the Canadian debt than we spent on old age pensions, the Guaranteed Income Supplement, family allowances and cash transfers to the provinces for health and post-secondary education combined. I cannot put that any other way. That is the situation.

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As well, I cannot put it any better than did the former Minister of National Health and Welfare, whom I knew well and who said in a speech made to this House that the ever-increasing debt is wasted money from a social policy point of view. That is the issue. That money does not come back and is not available for pensions or health care after it goes to pay the debt. It is the only factor in the expenditures of the Government of Canada on behalf of its taxpayers that is self-driven and over which we have no choice and no determining power. One could argue that agreements between the provinces under Established Programs Financing, once passed in legislative form, have the same conditions attached to them, but at least that is a portion of our expenditure which we can negotiate.

I trust that I do not need to emphasize for Hon. Members of the House where the trend was leading us. As a larger and larger share of tax dollars would be consumed to pay interest on the debt, there would be less and less money available to spend on pensions, health and our other important social programs. That is the same dilemma that would face a family that was paying out a larger and larger share of its income on charge-card interest charges. Soon such a family would have to cut back on basic items to regain control of its finances. Borrowing more to maintain its current spending on such items would simply hasten the day when absolute essentials would have to be sacrificed to keep afloat financially.

In taking measures now to prevent us from reaching a point where even more difficult measures would become imperative, we have not spared other groups of society. High-income earners will pay a surtax this year and next. A tax on bank capital and a corporate surtax have been introduced. Those who have used various exemptions and deductions in the past to avoid paying taxes on relatively high incomes will be required to pay a minimum tax in 1986. All taxpayers will be affected by the move from full to partial indexation in the income tax system. There are expenditure reductions in many other government programs and the size of the Public Service will also be affected. However, when all these steps have been taken, they will still not add up to enough of a deficit reduction in the years ahead to ensure that we regain control of our public finances. We also had to look for savings in the programs which are the subject of today's debate.

I would think that regardless of one's partisan stripe, one could only get the finances of Canada into a position where the deficit does not become an ever-increasing burden through cost reduction, efficiencies, and the creation of new wealth. That is the three pronged approach being taken by the Government. Therefore, we said in the Budget regarding this specific item about which Members have asked that we will monitor the situation. That was in the Budget papers, as was known from the moment the Budget was announced. We hope and have reason to believe that the economy is beginning to perform better. As this happens, we will look at the economy and the matter will be monitored. Again, I would refer to what the Prime Minister said in the House yesterday.