

effective per capita debt loan of working Canadians to \$22,000—but that is not all. Each of these 10 million Canadians lives in a Province of Canada or the Territories and, in nearly all cases, they must share in carrying a further debt at the provincial level. For example, in the Province of Nova Scotia, the per capita debt is now \$5,224. That is divided among all Nova Scotians. For the taxpayers in Nova Scotia the debt burden would approximate \$12,000 for a grand total debt—federal and provincial—of \$34,000.

I am sure most Canadians would consider that a staggering amount. I remind the House that the average income for these Canadians who are faced with this massive debt, is \$15,800. Within that figure, Canadians must find the ability to pay off this massive debt.

Let me stop there and remind Hon. Members that according to a 1980 analysis, Canadians pay 45.8 per cent of their income in taxes. That is, a Canadian family which in 1980 had a cash income of \$22,500 would have paid taxes of \$10,306 or 45.8 per cent. That includes all taxes, federal income tax, provincial sales tax and so on.

This points up the fact that the taxation of Canadians is at a maximum level, it cannot go any higher, yet Canadians must face the problem of paying off the national debt at the levels I have indicated. That is to say, Canadians with an average income of \$15,800 must assume a debt in the area of \$34,000 on an individual basis.

If that does not establish the serious effect of our mounting public debt in Canada, let me add this statistic, Mr. Speaker. In the current fiscal year one dollar of every four income dollars will be applied to service this debt. What is the problem? Of course the problem is Government spending. Government spending for the current fiscal year 1982-83 is projected at over \$90 billion. Last year it was \$75 billion. That is an increase of \$15 billion or 20.5 per cent on a national accounts basis.

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What does all this spending mean? When compared with the income and resources of Government, it means that the Government of Canada has virtually abandoned the concept of the balanced budget, that is, equalizing revenues and expenditures. The solution is equally clear. The Government must redirect its programs and its policies so that it gets us back on the road to a balanced budget. It is difficult, if not impossible, to raise the current level of taxation, as I have already indicated. The only hope in this area is to generate and promote economic activity so that the amount of taxation revenue will be increased but not the level at which that revenue is taxed.

I want to direct some attention to the possibility of decreasing Government expenditures—not to eliminate immediately the deficit because that is a virtual impossibility, but to reduce it substantially and to start us on the road back to a balanced budget. Let us now consider how Government spending might be reduced. First, let me address the economic problem in clear terms. As I have said, we have expenditures of \$90 billion with revenues of less than \$60 billion and a budgetary deficit

of over \$26 billion and approaching \$30 billion. The challenge is clear. How will we work toward a balanced budget?

As I have indicated, we could do two things. We could raise taxes or cut expenditures. There is no way at current levels that we can raise taxes, so let me consider some specifics. We have heard time and time again in the House the fact that Crown corporations are running out of control in terms of financing by the Government and in terms of the amount of moneys spent in relation to the amount of moneys received in revenues.

Let me take the Canadian National Railways company. This month CNR announced that its deficit for its 1982 operations would exceed \$223 million. That is its worst loss in the 61-year history of the corporation. I point out very quickly that the biggest item in that \$223 million loss is the \$62 million CNR was forced to write off in connection with its investment in Euro-Canadian Shipholdings Limited which operates the Cast shipping line. That was an investment in a foreign corporation to build ships and other facilities outside Canada. That is \$62 million of taxpayers' money which has gone down the drain, and this was from one of our most effective and most responsible Crown corporations over the years. When we find that kind of expenditure of public funds taking place in Canadian National Railways, we wonder what is happening in other Crown corporations.

Let me look at Air Canada. In the March 18 edition of the *Citizen of Ottawa*, an article was headlined, "Air Canada Anticipating Record Loss". The report indicated that in the first quarter Air Canada lost \$27 million and, projecting that over the rest of the year, the losses of Air Canada will be in the nature of \$100 million. Add that to the \$223 million lost by Canadian National Railways.

Recently Canada Post has been in the news because it has been successful in cutting a \$600 million deficit down to a \$400 million deficit in the current year, but it can look forward to a greater deficit in the subsequent year. But in the case of Canada Post, as in the cases of Air Canada and Canadian National Railways, it has drastically increased the price to consumers, which include all Canadians.

Also we have Petro-Canada with \$1.4 billion invested in the Petrofina oil company. Not only that, the other day it got provision to spend \$900,000 on one of its subsidiary companies, Canertech. Then we have the CBC with its \$900 million, Michael Pitfield with his \$1 million pension, Ian Stewart with his six-month sabbatical, and Donald Macdonald with his \$800 per day. It goes right from Crown corporations down to individual Crown officers. The point is that the spending goes on and on, and we have to stop the spending. But we cannot do it unless we adopt a principle to guide us. The principle which must guide us in these matters is the common sense of a balanced budget. That has to be the standard which guides Parliament and Government in conducting the financial affairs of the country. They must make revenues and expenditures match and thus balance the budget, because it is only in that way that we can assure an economic future for Canada.