

money for the benefit of a few privileged persons, we are laughed at.

Ten years ago when I was advocating on television that the Canadian economy be given a push, I suggested distributing \$100 to each Canadian only once so as to see the results five or six months later. A family of 10 would have received \$1,000 of Canadian credit. One of five would have been given \$500. We could then have found out if it was a failure or a profitable undertaking. The Liberals laughed at us. Fools!

According to the estimates for the current year, interest on the national debt is \$2,335 million. Do we know what that means? \$106.43 per person in Canada. It means that a family of 10 must pay \$1,064 in interest on the national debt. Do you see any government members rise up to protest against the interest on the national debt? Of course not. If the amount of \$106 is paid to financiers, that is fine, but, if it is paid to Canadians, they cannot see it. They are such fat-heads.

Mr. Speaker, government expenditures are tremendous. Out of a budget of \$18 billion this year, nearly \$2.3 billion will go to pay the interest on the national debt alone. Nobody protests against that. It is the worst waste in the whole budget, in the whole federal administration.

Mr. Speaker, the Cr ditistes object to this waste and urge, as it is said in the motion, a fair and honest scrutiny of the Canadian government expenditures, in order to serve the whole population.

[English]

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the motion we are considering appears to have two aspects. In one of them, the government is roundly condemned for what is described as mismanagement and waste of taxpayers' money. In the other, parliament is urged to take steps to exercise greater scrutiny and control.

The hon. member for Peace River (Mr. Baldwin) cited instances of expenditures which have been fairly well examined, I think. In every instance they have been explained, and in many instances the course of action taken has been justified. To describe these now, at this late date, as examples of waste, extravagance, inefficiency and the other attributes he was able to find in his dictionary, is not likely to take us very far in this discussion; I do not think it would be helpful if I were to attempt to rehash all this old history again.

Let me put on record some information with regard to government expenditures as a whole. It is true that government expenditures have been rising from year to year, though I suggest they are not rising at so great a rate as the increase in the responsibilities of the government would indicate. This increase in responsibilities results from the growth in population and from economic growth as reflected in the increase in our gross national product. Public expenditures in Canada have been rising quite rapidly in the past few years. However, they have been rising much more slowly in the federal field than has been the case either in the provincial area or in the combined municipal and provincial area.

The average rate of growth of federal expenditures during the period from 1967 to 1971 inclusive was 11.8 per

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cent per year. Of the total federal expenditure, very substantial sums are transferred annually to the provinces and it is the provinces which in the final analysis make these expenditures and control not only their size but their scope and administration. If one subtracts from the total of the federal expenditures I have mentioned transfers to the provinces, one finds that net growth in federal expenditure exclusive of these transfers to the provinces in the year 1967-68 was 7.8 per cent; in the year 1968-69, 11.6 per cent; in the year 1969-70, 9.8 per cent; and in the year 1970-71, 7.8 per cent, for an average net federal expenditure growth rate of 9.3 per cent per annum. That is pretty much the same as the growth rate in our gross national product.

• (1630)

In a similar way, growth of public expenditures by the provinces is rather more spectacular. From an average annual growth rate of 18 per cent per annum, one subtracts the substantial transfers made by provinces to hospitals and local governments for administrative control and expenditure purposes. This leaves a net figure for provincial administration growth rate in the year 1967-68 of 16.9 per cent; in the year 1968-69, 12.9 per cent; in the year 1969-70, 23.5 per cent; and in the year 1970-71, 24.7 per cent, for an average annual growth rate in provincial government public expenditure, not including sums transferred for local control and administrative purposes to hospitals and municipalities, of 19.5 per cent. So, one can see that the expenditures of the federal government, exclusive of transfers to the provinces, have been something in the order of the gross national product growth, but have grown at a conservatively lesser rate than provincial government expenditures.

Another feature I should like to emphasize is that about one-half of our total annual expenditures are derived not from programs put forward in the estimates and under the appropriation acts, but from separate parliamentary statutes that provide for expenditures on a scale, at a rate, and under conditions determined by the particular statute itself. About one-half of our annual expenditures have been devoted to this particular purpose; the other half go toward appropriations under programs contained in the estimates.

Growth in statutory expenditures as against what we might call discretionary expenditures or appropriations in 1967-68 was about 43 per cent of total federal expenditures, rising in 1972-73 to about 48 per cent. So that the amount of discretionary expenditures under the appropriation acts both in relation to public expenditures as between the provinces, municipalities and the federal government, and in relation to the federal government itself as between statutory expenditures under the control of acts of parliament and discretionary expenditures, has been decreasing. Indeed, it has shown the slowest growth of all the expenditures I have described. This is the particular aspect to which the hon. member for Peace River directed his attention.

Mr. Basford: Except that he is not paying any attention now.