

I wish to produce some figures of my own. These are from Statistics Canada. In the fiscal year 1967-68, personal and corporate income taxes as a percentage of GNP were 6 per cent. In 1978, personal and corporate income taxes are 12 per cent of the GNP of this country. The GNP has grown, of course, but personal and corporate income taxes have doubled.

The tax bite this government is imposing upon the earners, profit seekers and risk takers of this country has doubled. Government spending has increased from 13.6 per cent of GNP in 1967-68 to 26.8 per cent of GNP ten years later. That is preposterous and unacceptable. Although the significance may seem lesser, it is significant that the percentage of gross government revenue, which is raised in the form of personal and corporate taxes, has increased from 50 per cent to 59 per cent in the past ten years. The burden of taxation on Canadians increased far in excess of reasonable proportion.

This takes us to a question of political philosophy. A government is elected to provide the basic essential services of government, and that is all, if we believe in the principles of free democracy. A government which does not put any burden on society—one which one might call a very extreme form of right wing government—is non-government; it is chaos. On the other hand, a government which wants to take all of the earned income of Canadians and put it into the funding of government, is an extreme left wing form of government. It is worse than democratic socialism.

There is an optimum level of taxation as a percentage of GNP. That optimum level was certainly less than 6 per cent for decades in this country. In the past decade, it has doubled to the point where it is 12 per cent. The people of Canada will not stand for it any longer.

I indicated that the government is not telling the whole story in submitting a budget and sending press releases to the media. When the government sends out information on the splitting up of the pie, it sends out circular disks to show what proportion goes to what. It should be straightforward and fair in reporting that information.

In the Canadian Press last week, I noted such a sketch which showed the expenditure dollar and the revenue dollar. Unfortunately they were both shown the same size. In fact, in the coming year this government will spend \$1.35 for every one dollar it receives as revenue. I believe the people of Canada should be told of that fact. The Mint will have to begin stamping out rubber dollars.

On the expenditure dollar, as reported to the press last week, there is a 14 per cent pie shaped wedge called debt. That is not the debt. That is the debt charge of the interest on the debt. It leaves the impression that our debt is 14 per cent of the government budget for the coming year. It is not. It is 35 per cent, plus the interest on that debt, which in the coming year will be in excess of \$8.5 billion.

The government must level with the people of Canada. It must tell the people of Canada what the elements of the gross public debt are, a public debt now in excess of \$70 billion,

more than half of it having been accumulated in the past ten years since this government has been in office.

How much is held outside Canada? How much is caused by waste, as reported by the Auditor General? How much is internal debt held in the form of Canadian notes, Canada Savings Bonds and term deposits in bank accounts? The people of Canada should know to what extent we are beholden to economic powers external to our nation. The government should tell the people of Canada what would happen if public confidence in Canada Saving Bonds was suddenly shattered.

What would happen to the economy of our country? Can we continue to rely on Canada Savings Bonds to bail out a government whose costs are offset by debt? There is no speculative capital in Canada; it is all in the form of bonds and term deposits. Therefore we must continue to encourage foreign investment in this country. As long as we have little old ladies in Connecticut and financiers in West Germany who are prepared to take a risk when Canadians are not, we must continue to welcome their investment in this country because investment produces jobs.

If the profit elects to go elsewhere, so be it until Canadians take hold of their own country. Why should we be debtors in a world where there are creditors? Why should we be debtors in a world when we have such tremendous natural resources to put at the disposal of our fellow Canadians, and indeed people in the rest of the world?

Let us get back to basic economics. Let us talk about balanced budgets. Let us not say it is a pipedream. If we do not believe in the ideal that we can balance the annual operating budget of this country, then let us forget about democracy because it just does not work when you start putting up borders and borrowing money from other nations. You become beholden to them in order to keep your head above water.

My time is coming to an end, I believe, or do I have more time?

Mr. Paproski: Go ahead.

Mr. Siddon: I recited some statistics which showed that the tax bite imposed on ordinary Canadians has doubled in the past ten years. As the tax bite on the individual wage-earner and investors in our society increases, what happens to efficiency? Efficiency decreases because governments become irresponsible in the manner in which they dispose of the assets of the hard-working people who earn them.

What happens to waste as the tax bite increases? It is easy to get money if you take it out of the pockets of the Canadian wage earner or borrow it from West Germany, or wherever. The government has become wasteful. When governments become inefficient and wasteful, they become secretive. The hon. member for Peace River (Mr. Baldwin) has had much to say about the question of government secrecy and restriction from this parliament of the decisions on which government spending is based.