

Federal Government Expenditures

<u>Years Ending</u> <u>March 31st</u>		<u>Year to Year</u> <u>Increase</u>
1965	\$7,876	
1966	8,491	+ 7%
1967	9,685	+ 14%
1968	11,020	+ 14%
1969	11,980	+ 9%
1970	13,208	+ 10%
<u>Ten Year Increase</u>		
1961	6,435	
1970	13,208	+ 105%

Source: Table 1 of Tax Structure Committee Report dated February 16-17, 1970.

2.11 The projected rate of increase in government expenditure for 1971 continues to exceed the expected rate of increase in GNP, despite "austerity". It seems obvious that Ottawa has been unable, despite good intentions, to regain control of the purse strings. When viewed in the context of "tax reform" which seeks to increase government revenues to do "useful and important things", it is not surprising that we, and many other Canadians, are concerned. For example, in his recent Budget Statement, the Honourable Charles MacNaughton, Treasurer of Ontario, stated that the "proposals have been designed to produce a significant increase in federal revenue-raising capacity, a move which we regard as totally retrograde". Whatever the "useful and important things" may be, we can see no justification for asking Canadians to submit to additional taxation to pay for unknown programs until it is clearly established that we are able to afford them.

2.12 Moreover, we believe strongly that most Canadians want a chance to experience rising standards of living with greater discretion over the spending of their own earnings