

Government Spending

words, it is a cop-out. The minister accused the official opposition of not being specific in proposing programs. I now turn the argument back to the minister and say that his own approach for next year which sets a general level of cutback in terms of government spending is itself a cop-out which treats good government programs in the same way that it treats bad ones. In the opinion of the New Democratic Party, that is irresponsible.

If I read the message correctly, it means that programs with regard to health and welfare, family allowances, pensions, unemployment insurance, transfer payments and all spending in which the government is involved, will be affected. Those areas which I have just mentioned should not be included in the general cutback. In our view, the government is irresponsible in taking the position that for the coming year there has to be a general cutback.

Let me now deal with two specific areas in which the government indicated in its budget of last spring and in debates inside and outside the House so far this fall that it will cut back. I refer to hospitalization and medicare. We disagree with this. The government has told the provinces that specific ceilings will be set on the financing of medicare, and in the case of hospitalization it plans to phase out its contribution entirely. I cannot think of a worse approach to dealing with inflation than to take it out on the health of Canadians. That is the way I read that message. The government is indicating that it will cut back on medicare, and surely everyone in Canada would regard this as an essential human service. In an affluent society such as ours, to effect a cutback in an area of profound human need such as hospital and medical care is not only wrong in principle but is also false economy in many respects. Let me say what I mean by that. In some instances, increased expenditure in the medical field could lead to a long-range reduction in costs. It is shortsighted to argue that across the board cuts in medical expenditure will lead to long-range savings.

● (1620)

I give the province of Quebec credit for what it has done in the material field. In one sense it has led the country in the development of community clinics to head off medical problems. Surely from the point of view of costs, not to speak of humanity, that is a much better approach. Money spent on community clinics across the country would have long-range benefits which are obvious. In St. Gabriel de Brandon, for instance a community clinic discovered that children in the town kept getting a certain kind of skin infection or disease. They were "cured" time after time; then the cycle was repeated. Through the community clinic there was an investigation into the cause of the ailment and it was discovered that something in the water in which the children swam was responsible. The water was cleaned up and there was no repetition of the infection on the children in that area; consequently, the demand for medical services was lessened. That kind of community clinic which practises preventive medicine cuts down on long-range expenditure. The whole area of preventive medicine in Canada needs more, not less, money. Surely, when dealing with conditions in factories and mines it makes sense to head-off diseases like asbestosis and cancer. It makes more sense to spend money ahead

[Mr. Broadbent.]

of time rather than after men and women get the diseases, in many cases when no cure is possible.

Another example of sensible spending comes from the province of Saskatchewan. Instead of money going into elaborate hospitals, it has been found that a high percentage of cases can be adequately provided for in alternative facilities, thereby reducing the cost of treatment up to 200 per cent or 300 per cent, if not more. It makes sense both at the provincial and the federal level for government to spend more money creating alternatives to hospitalization. The long-range effect will be reduction of hospital and medical costs. It seems to me that the moral is obvious: in certain areas such as medicare we need more spending, not less.

Similarly, we need more, not less, government spending on housing. If there ever was a sector that could be singled out where government spending would be deflationary, it is the housing sector now. If the government had the guts to force banks to put up mortgage money at lower rates, and the political commitment to allocate funds to increase the supply of housing, there would be a substantial reduction in the cost of living. Increasing supply and reducing mortgage rates would have a positive effect for those who rent and those who want to buy accommodation.

The Acting Speaker (Mrs. Morin): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Continue.

The Acting Speaker (Mrs. Morin): The time allotted to the hon. member can only be extended by unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Broadbent: Thank you, Madam Speaker. Increased government spending on housing would provide a human necessity and jobs for many of the more than 700,000 Canadians presently unemployed. It would also have a deflationary effect on the economy. So the moral is more government spending in this sector, not less.

Before I conclude I should like to say that in terms of the over-all approach to the economy, I am apprehensive that the government is on the wrong course in its restrictive income and prices restraint program. Inside and outside this House, the Prime Minister (Mr. Trudeau) has said that we must live within our means; that is the phrase he has used. The fact is that we are not living up to our means. In the manufacturing sector alone we are operating at only about 85 per cent capacity. If the government really wants to come to grips with inflation, what we need is a program designed to stimulate increased production. We have unemployment and slackness in the economy, but that is not the source of the inflation. What we need is stimulation by the government. The government has not brought in any imaginative programs to show leadership in making the economy more productive.

The issue is not simply one of more, or less, government spending; the issue is one of over-all spending in the economy by both the private and the public sector. The government must assume a great deal of responsibility for making decisions in such spending for both the private