

Restraint of Government Expenditures

On one hand the government preaches restraint. They tell the Canadian people they must restrain the amount they take out of the Canadian economy. I have no quarrel with that. However, on the other hand they say that as a government they will take more even though in the past they have taken in excess of what was acceptable to the general Canadian population. There is the credibility gap.

No matter how many copies of Bill C-19 are circulated across this country, or how many other similar bills the government brings in, the government will finally have to reduce its spending to the levels which it is saying to the private sector, both in business and the labour force, it cannot expand beyond. If the government would take that leadership, its credibility gap as far as restraint is concerned would be much enhanced.

Let us take another look at the flimflammy of this government when it comes to restraint. They recognize that they have a perceptual problem. Having seen that, they ask, "How can we reduce the perception that we are a high-spending government and yet continue on our way?" In the recent Speech from the Throne, the government indicated it would try to hold growth in the public service at 1 per cent. Many Canadians, including people in my constituency, were initially taken in by that statement. They believed the government was finally taking a positive position with regard to growth in the public service and the expenditures attached to it.

However, if you look at a 1 per cent growth, that is 1 per cent over the attrition rate. This means that one year later Canadians will pay the salaries and support costs of another 3,000 to 5,000 employees in the public service. Therefore, it is not a reduction. Another 3,000 to 5,000 people will be paid out of the public treasury. That is the kind of flimflammy which has led to the credibility gap from which this government is now suffering.

In simple terms, the Canadian people are tired of the excessive taxes they have to pay. Young people in the labour market, who might have been taken in by some of the programs the government had, are finding out when they go to work that their wages are being cut into very deeply by personal income taxes. The consequence is that their dreams of establishing households had either to be delayed or dramatically modified. One must simply say that many of the expenditures of the government are not made in the interests of the Canadian taxpayer.

● (1630)

So Bill C-19 is simply another chapter in the long litany of a government which says it is concerned about its spending habits, which recognizes it has a perception problem, but which is not willing to make a fundamental change. By "fundamental change" I mean stopping where they are now and taking a deliberate decision, pointing in another direction and moving in that direction. The direction is to say to the Canadian people, "We will not promise you in the heat of election campaigns or at a time when the Gallup poll does not favour us that we will bring in programs which will increase

[Mr. Epp.]

expenditures which will increase government spending on an open-ended basis." This is the difficulty when we take a look at any estimates, either supplementary or otherwise, Mr. Speaker. It is really an exercise in futility. Much of the spending projected for the fiscal year has already been carried out because of former legislation. So one questions at times whether the exercise we go through has any great value.

Be that as it may, Mr. Speaker. When I say take a new direction, I mean to take the fundamental decision that the government's share of the gross national product is too high and that we ought to make a deliberate move to reduce the 40 per cent plus amount which governments are presently spending out of the GNP. In the last eight years that percentage has increased from roughly 34 per cent to 40 per cent plus. If we could go in that direction, it is surely now possible to go in the other direction. The government could establish a target of one-half per cent per year or one per cent per year, whatever they felt was acceptable, to reduce, not the growth potential or the growth of government spending, but the proportion of government spending from the level it has now reached.

If the government would make that decision, what would be the result? One thing would be that tax cuts would be possible and they would be realistic tax cuts. One hears so much, for example, of the difficulties facing the working poor, the low income group. As long as taxation continues at the level it is because of excessive spending, and I say that governments have a propensity to well exceed in spending the revenues they get—all governments seem to have that bad habit—if governments would make that move, reduce their spending and with it come in with a tax cut, especially to the low income groups, I believe we would have made a fundamental decision and that is to turn around the concept that governments generate wealth. They do not generate wealth, Mr. Speaker.

The Acting Speaker (Mr. Turner): I am sorry to interrupt the hon. member, but his time has expired. He may continue only with the unanimous consent of the House.

An hon. Member: No.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I want to make a few remarks on Bill C-19. As I see it, this bill is supposed to cut costs by following certain principles. The government has stated that a saving of \$1.5 billion of expenditure will result if the measure is passed. First of all, I would ask why it has taken so long. First we had Benson; then we had Turner; now we have the hon. member for Rosedale (Mr. Macdonald)—three ministers since 1968. We remember phrases such as "the just society" and "the land is strong". The people certainly have to be strong to stand the taxes they are expected to pay.

The government has been in power since 1963. Let us look at the record. For seamen, a 30 per cent increase. The Prime Minister (Mr. Trudeau) has been in power for eight years, from 1968 to 1976, which is two or three years longer than he allowed Mr. Bourassa. However, I want to deal with the health care system in particular at the moment. Is it geared to its