

Mr. Gustafson: The deficit of this government is nearly the same as one year's deficit of the United States which has ten times the population. Do you call that responsible?

Mr. Deputy Speaker: I regret to interrupt the hon. member, but the time allotted to him has expired. He may continue with the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of State, Small Businesses): Mr. Speaker, I certainly feel very privileged to speak tonight on Bill C-30, in view of the very obvious lack of understanding by many Canadians of the way in which our fiscal spending operates at the federal level. Furthermore, I should like to place on record the amount of federal funding provided to our senior citizens and to those in need of financial help. It amounts to slightly over \$11 billion for 1980-81, or 19.1 per cent of our budgetary outlay.

• (2030)

The federal system provides that a transfer of payments be made in order that all Canadians are provided with a standard of living commensurate with other regions of Canada. The area of major expenditure in this context, of course, is the imported oil subsidy that ensures an equitable price structure to those areas of Canada which do not have access to our own domestic resources and have to import. It must be an equitable price structure for all Canadian consumers which enables our industries, farmers and fishermen to compete in international markets and thus provide jobs and opportunities for Canadians across this nation.

The transfer payments to the provinces for joint funding projects provide senior citizens with apartments through CMHC. I am proud of the fact that the Government of Canada is currently providing, by way of guaranteed loans, funding for these facilities to ensure that our citizens who helped build this nation have a retirement which is free of apprehension and want. I was sorry to learn tonight that the government of Ontario will be raising the rents on senior citizens' apartments by \$18 per month when the leases come up for renewal. It seems very ironic that less than two weeks ago we in this House increased the guaranteed income supplement by \$35 per household. The Liberals giveth, the Tories taketh away.

Another project funded by the same department is the sewage disposal projects and water purification plants where loans, forgivable loans and high cost grants were available, in some instances amounting to over 25 per cent of the total cost. The areas requiring massive amounts of federal funding, and rightly so, are the old age pensions, and of course to a lesser degree, the guaranteed income supplement, the Canada Pension Plan, unemployment insurance and family allowances. These programs ensure that our Canadian people enjoy one of the highest standards of living in the world. I would suggest to

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the House that to cut expenditures in these areas I have mentioned thus far would be irresponsible and would cause a degree of suffering in Canada that has not existed since the dirty thirties. Therefore, it becomes obvious that, if we are to maintain a standard of living which reflects equality for Canadians, we cannot dispense with either the transfer payments or the social benefits provided to senior citizens and those in need.

To ensure the continuation of these programs in relation to payments to persons we require current expenditures in this area which amount to 19.1 per cent of total federal expenditures. Certainly I hope hon. members across the House are not suggesting we cut back in this area and inflict untold hardships on those in need and those who have worked so hard to make this nation the best in the world. The federal government will spend 32 per cent of its total outlay on the health and welfare of Canadians in 1980-81.

If we are to ensure continuity of opportunity and quality of life across this nation, we must maintain a strong federal presence in these areas, so that the funds transferred to the provinces in need are used in a manner which does not create economic imbalance in other areas of Canada. I should like to point out that over 20 per cent of the main estimates represent transfer payments to the provinces, the territories or the municipalities. The major program associated with fiscal transfer programs is equalization. Perhaps we should not forget that we spend \$5.7 billion for the financing of hospital insurance, medicare and post-secondary education. These contributions by the federal government to the provinces are intended to provide more stability in spending patterns and to provide the provinces with flexibility to administer their own programs. This federal contribution consists of a combination of cash payments and income tax transfers, both of which grow with our economy.

Certainly I hope hon. members across the way are not suggesting a cutback in the area of defence spending, which accounts for 10.5 per cent of our expenditures. With the unrest in the world today, our commitment to world peace must be honoured. I hope no one here would suggest we cut back our spending relating to food production or in any other area which contributes to our well-being, the creation of jobs or export opportunities in any region of Canada. It is in the area of economic development and support that we spend about 13.1 per cent of our total budget. While the expenditures may seem high, can we really do without the benefits provided by the central government? May I point out that only 18 per cent of our expenditures are used for government administrative services. However, if we were operating as a corporation or a company, naturally we would look at our borrowing requirements as an investment in our future. Let there be no doubt about it, we have a great future, but only if we utilize our resources, our human and renewable resources, and exercise care in the use of non-renewable resources which are so scarce in the world today.

There is no doubt that all of us have borrowed at one time or another for our businesses or our farms, to purchase our homes