

Waste and Mismanagement

rests at \$67 billion at present. The service cost on that debt is 150 per cent the amount spent by our Department of National Defence. This government, with its restraint program, has borrowed money to pay interest on loans and is spending \$6,500 million a year servicing that debt when it spends only—

The Acting Speaker (Mr. Turner): Order, I regret to interrupt the hon. member but the time allotted to him has expired. He may continue with unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Hugh A. Anderson (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I listened with great interest to the two speakers from the official opposition, the hon. member for Calgary Centre (Mr. Andre) and the hon. member for Capilano (Mr. Huntington). Perhaps it should be noted that at present the Government of Canada redistributes approximately 71 per cent of the tax money it collects to the people of Canada in the form of direct payments, such as CPP, old age security, family allowances, and the transfer of payments to the provinces for medicare and welfare.

In other words, out of the 100 per cent revenue which the federal government collects, approximately 29 per cent is spent directly by the government on the armed services, the Post Office and various direct contributions which the federal government makes. What we have seen in the last generation, that is in the last five, ten or 15 years, is a very large increase in the amount of money that is transferred to individuals and provinces, and a gradual decrease in the amount for which the federal government has direct responsibility. Some of us on this side of the House have concern over the fact that the federal government has less and less operating room as the amount of money it spends shrinks, whereas our non-discretionary amounts increase.

The hon. member who spoke before me referred to the deficit and the increase in federal expenditures. What he did not say is that those increases are taking place in areas which I have already mentioned, that is, old age pensions, family allowances and transfers to provinces. If the hon. member is going to be honest and call for a cutback in government expenditures, he would have to call for that cutback in moneys that are paid out to the provinces and to individuals; but I have never yet heard the opposition call for a cutback in transfer payments to individuals or in old age pensions. Quite the contrary, they would like to have it both ways. They would like to appear financially responsible and at the same time ask for further increases in government expenditures.

If I may, Mr. Speaker, I would like to quote from an article in today's *Ottawa Citizen* by Leonard Shifrin entitled "Strange Paternity of Politics". It reads:

Since the Budget Control Act of 1974, the U.S. has treated tax expenditures—selective benefits provided to the tax system by way of deductibility of mortgage interest, a preferential treatment of capital gains, and so on—the same

[Mr. Huntington.]

as direct expenditures. Every year Congress is presented with a tax expenditure budget as well as a direct expenditure budget, and the two are debated and passed together.

The tax expenditure concept has been virtually ignored in Canada until Clark pushed it into prominence in his long list of selective tax cut promises. With the total cost of those promises now approaching \$6 billion, the idea that tax spending needs to be watched as closely as direct spending is starting to take hold.

We heard just prior to my rising in the House two members of the official opposition who have gone up one side of the government and down the other regarding budgetary deficits. It appears from the article from which I quoted that there is a fear, not only among the press but among other people, that the official opposition, in their quest for power, has now brought out a program which would add a further \$6 billion deficit to the existing deficit. I have heard no one in the House deny that the various programs outlined by the hon. Leader of the Opposition (Mr. Clark) would not in fact cost Canadians an additional \$6 billion. Yet in considering an official opposition motion today, under which we are supposed to be discussing waste and mismanagement, the remarks of two members of the official opposition have been to the effect that we should decrease the budgetary deficit. I am not sure if hon. members have read the comments of the hon. Leader of the Opposition who has said exactly the opposite. In fact he has gone on record—

● (1700)

Mr. Huntington: You are misleading the House and you know it.

Mr. Anderson: I hope the hon. member is not disagreeing that the Leader of the Opposition said that they would increase the deficit from its present level. In fact, the finance critic of the official opposition, in trying to explain that position, said that it would be only a temporary increased deficit for perhaps a month or two. If the official opposition is saying that it can go into an additional \$6 billion deficit and eliminate it in a month or two, perhaps this should be brought forward to Canadians. Not only many members on this side of the House but people across Canada wonder how a \$6 billion deficit can be diminished in a month or two.

Hon. members opposite seem to feel that their position is rational, that we should be attacked as being financially responsible for the deficits we have incurred. Yet they will be more financially responsible by incurring even greater deficits. If hon. members opposite can marry those propositions together, God love them, because they will have to do so not in the House but before Canadians within a short period of time. Then the people of Canada will judge whether they can give out promises of \$6 billion and at the same time attack the government for not being financially responsible. Until hon. members opposite marry those two propositions together, I suspect Canadians will do exactly what I am doing today. They will ask, "How can you criticize the present government for deficits when you are telling us that you will give us even greater deficits?"