

*Borrowing Authority*

**Mr. Andre:** The hon. member ought to do his homework. It is a special account. It does not have anything to do with this \$14 billion, or with the Public Accounts of Canada. It will not show up in public accounts. It is a separate item. It would show up if we had a national account, something we should have.

**Mr. Evans:** We do.

**Mr. Andre:** The parliamentary secretary says "We do", but you have to be a real ferret to find it. The government has no interest in having the people base their spending on national accounts.

**Mr. Evans:** It is in the budget.

**Mr. Andre:** I know the Minister of State for Finance (Mr. Bussières) and the Minister of Finance (Mr. MacEachen) said it was in the budget. They said that on a public accounts basis our spending this year will be less than the increase in the gross national product, that it will only be 12.8 per cent, whereas it is anticipated the GNP will go up by 13.7 per cent. If you look at the national accounts basis, which they never mention in their speeches and which does not show up in press releases, you see that spending is going up by 15.9 per cent, which is quite a bit more than the increase in the gross national product.

That is a direct contradiction of promises made by the Prime Minister (Mr. Trudeau). Every year he repeats that spending will be held to less than the growth in the gross national product. It just is not true. It is not held to less than the GNP, it is more. We are not allowed to say that in this House because it is not parliamentary. However, if it waddles and quacks like a duck, it is a duck. I call it a lie.

There are all kinds of sneaky taxes which the government never talks about. Loans supposedly made to Crown corporations never show up because they are loans. We know they will never be paid back because a Crown corporation will not have the ability to do so. An example is the St. Lawrence Seaway. After the debt builds up the government says it will convert it to equity, and zippo, it disappears like magic, as though it were not really government spending.

Lotteries are a form of taxation. The government uses this money, which comes out of your pocket and mine, to spend. For some people it is a fun way of collecting taxes. Some may feel, I don't, that it is fun to bet on lotteries, but it is still a tax and does not show up in the government's spending.

There are other even more sneaky, almost sinister in their implication, taxes which the government imposes through regulations. For example, if you are going to build a pipeline or do some exploration work offshore, and this in fact is part of the National Energy Program, you have to contribute to a fund for environmental protection. I do not argue against that, but it is a tax. It does not show up in the accounts or the spending of Canada.

When the government appoints a new regulatory agency or tribunal before which people must apply and which must hold

public hearings, the result is they end up hiring scads of lawyers at \$200 an hour, the going rate for a half decent lawyer these days. If you want a good lawyer, it will cost you \$1,000 an hour.

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There are hundreds, thousands, millions and, indeed, billions of dollars being forced on the economy by government decisions, and it is all non-productive expenditure. This is just like a tax. It does not produce goods and services individuals want. It has been estimated in Canada that this kind of government enforced expenditure accounts for \$15 billion, at least \$5 billion of which is waste, with \$10 billion contributing to making life safer and so on.

The fact is that the over-all tax rate on our society imposed by governments is much more than 40 per cent, and that is the total government take that is talked about in this budget as being taken out of the economy. The fact of the matter is that it is well in excess of 50 per cent, given all the other hidden taxes, regulatory expenses and what have you.

If we can ever get to the reason, I suggest it is that the public just does not know; people are not aware of this. We have to work like dogs for weeks and months, spend all kinds of time in the library pouring over all kinds of books to try to get even a hint of what is going on. One can get a general picture, but it is very difficult to get any accuracy, and the access to information bill is not going to help.

The reality is that in order to bring down this deficit, avoid saddling future generations and let future governments have the possibility of some independent action, this government will have to do something about spending. It will have to bring spending under control, and not just by moving it off to other sectors, which is what it is planning to do in terms of this transfer elimination of \$1.6 billion in assistance to secondary education. That will not do it. The government cannot get rid of it by putting it off into separate accounts—the PetroCan account or the import subsidy account—so it is beyond the public eye and claim it is really doing something about expenditures. That does not do anything. That does not work. It makes things worse.

Every single economist or group that has looked at the question of government spending has ultimately arrived at the conclusion that the first thing which needs to be done is the adoption of a policy of openness and honesty about the spending process. It is must be brought into the light of day so the public really knows the cost of things. If the public really knows the cost and really recognizes that it will have to pay, and still asks for whatever it is, that is fine because that is not inflation. When they do not really know and when they think they are getting a free lunch and, therefore, ask for these new government services without recognizing that they are paying for it themselves, then we get into this inflationary thing. People are not willing to pay then. They go to the underground economy. If they belong to a strong union, they demand that their after-tax salaries stay the same even though production does not go up. If they are businessmen, they add it on to the