

Jake Fuss and Jason Clemens: Why big government keeps getting bigger

Government has an inherent bias for more government

[Jake Fuss and Jason Clemens](#)

One of the authors of this op-ed resides in a municipality that recently launched an [online survey](#) to gauge the preferences of residents with respect to its upcoming budget, which is laudable, but the questions illustrate a problem within government: a bias for more government.

The City of Coquitlam in British Columbia asked respondents whether it should increase, decrease, or simply maintain the same level of spending in 2025 for policing, recreation, water and sewage, infrastructure, and other items. The problem: there wasn't a single question on whether residents prefer tax reductions.

Moreover, there was no discussion or context about how increased spending for these activities must come from taxpayers in the form of either having more taxpayers (city population increases) and/or higher tax rates for those residing in the city. What's clear from the survey is that the municipal government prefers to spend more.

And this bias towards more government within government is not restricted to this local municipality. Other municipalities, provincial governments, and certainly the Trudeau federal government have favoured more spending.

Under Prime Minister Trudeau federal spending reached [never-before-seen](#)

[levels](#), even after adjusting for inflation. Consider, for instance, that [per-person federal spending](#) (excluding interest costs) reached \$11,901 in 2024 (inflation-adjusted), well above previous levels of per-person spending including during the 2008-09 financial crisis and both world wars. The rationale is that Ottawa is delivering services demanded by Canadians.

But is that true? Are Canadians demanding national pharmacare, national dental benefits, and a national daycare program? The answer depends on whether the costs of those programs are included in the discussion.

A [2022 poll](#) asked Canadians about their support for all three programs. Support ranged from 69 percent for national daycare, to 72 percent for dental care, to 79 percent for pharmacare. Here's the problem, though. The questions were asked without respondents considering any costs. In other words, the respondents were asked whether they support these programs assuming they don't affect their taxes.

But of course, taxpayers must pay for government spending, and when those costs are included, Canadians are much less supportive. In the same poll, when increased spending is linked with an increase in the GST, support [plummets](#) to 36 percent for daycare, 40 percent for pharmacare, and 42 percent for dental care.

And these results are not unique. A [2020 poll](#) by the Angus Reid Institute found 86 percent support for a national prescription drug program—but that support drops by almost half (47 percent) if a one-percentage point increase in the middle-class personal income tax rate is included.

One explanation for the dramatic change in support rests in another poll, which [found](#) that 74 percent of respondents felt the average Canadian family was overtaxed.

So it's convenient for governments to avoid connecting more spending with higher taxes.

This internal government support for more government also shows up in our [tax mix](#). Canadian governments rely on less visible taxes than our counterparts in the OECD, a group of high-income, developed countries. For instance, Canadian governments collect 6.8 percent of the economy (GDP) in consumption taxes such as the GST, which are quite visible and transparent because the cost shows up directly on your bill. That ranks Canada 31st of 38 OECD countries and well below the OECD average of 10.0 percent.

Alternatively, we rely on personal income tax revenues to a much greater degree and, because these taxes are automatically deducted from the paycheques of Canadians, they are much less apparent to workers. Canada collects 12.3 percent of the economy in personal income taxes, ranking us sixth-highest for our reliance on personal income taxes and above the OECD average of 8.3 percent.

And a complying media aids the push for more government spending. According to a [recent study](#), when reporting on the announcement of three new federal programs (pharmacare, dental care, and national daycare) the CBC and CTV only included the cost of these programs in 4 percent of their

television news coverage. Most of the coverage related to the nature of the new programs, their potential impact on Canadians, and the responses from the Conservative, NDP, and Bloc Quebecois. Simply put, the main television coverage didn't query the government on the cost of these new programs and how taxpayers would pay the bill, leaving many viewers with the mistaken impression that the programs are costless.

Indeed, it's interesting to note that the same study found that 99.4 percent of press releases issued by the federal government related to these three programs excluded any information on their costs or impact on the budget.

The inherent bias within government for more government is increasingly clear and supported by a lack of skepticism in the media. Canadians need clearer information from government on the potential benefits and costs of new or expanded spending, and the media must do a better job of critically covering government initiatives. Only then can we realistically understand what Canadians actually demand from government.

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