

Income Tax

Mr. Crouse: An hon. member says "What baloney!". That is indicative of the depth of his concern for the taxpayer and for the people who sent him here to represent them. He has the same opportunity as I have to get up and make representation on behalf of his constituents but, as usual, he prefers to make his observations from his seat.

At page 29 we see the figure representing expenditure by the Canadian Broadcasting Corporation in 1973/74—\$238.8 million. For 1974/75 it is \$298.8 million. Madam Speaker, that is almost \$6 million a week. When I was first elected and came to this House on June 10, 1957, I remember making a speech around about that time. I had found, to my amazement, that the CBC estimates in 1957 amounted to \$52 million. I was concerned about that and made a speech. I said, "Why, that is \$1 million a week". In the 18 years I have represented the South Shore constituency in Nova Scotia in this House, that figure has risen from \$1 million a week to almost \$6 million a week. Yet government supporters show no concern. They say they cannot cut taxes.

● (2030)

Something else needs to be investigated. According to a return tabled in this House, in the last six years there has been a 1,300 per cent rise in the pay of upper echelon civil servants. Yes, Madam Speaker, their pay has increased by 1,300 per cent in the last six years. There were only 1,225 federal civil servants in the big income brackets, in the \$20,000 a year and up bracket, in the 1968-69 fiscal year. Then, after the Prime Minister (Mr. Trudeau) came to power, the number of civil servants earning these salaries increased to 16,863. Do not government supporters ask why? Do none of them express concern about these rising expenditures? According to a return tabled in the House, in the Prime Minister's office there was only one man who earned over \$20,000. Now there are 20, headed by the principal secretary, Jack Austin, who rates between \$50,000 and \$55,000 per year. It is expenditures like these which have created the inflationary spiral, and they trouble all the people of Canada from the Atlantic to the Pacific.

We in the Conservative party have proposed a tax cut for one reason only.

An hon. Member: Which Conservative party?

Mr. Crouse: The Progressive Conservative party, thank you. As I say, we proposed a tax cut for one reason only, namely, to strengthen the private sector of our economy and to restore investor confidence in our economy. In my opinion, investor confidence means growth; it is more than just a phrase. It is a fact of economic life for every nation, except those under communist type governments. If investor confidence is strong, there will be capital investment, growth and jobs; and, for governments, federal as well as provincial, there will be the wherewithal to pay for social and other services expected by Canadians. But if investor confidence lags or disappears, a nation cannot help but be in deep trouble for many years, and so are its citizens. A case in point is energy development, including the development of oil, gas, coal, hydro, nuclear power and tidal power, to name a few of the areas in which Canada has a tremendous potential.

[Mr. Crouse.]

We will have an energy shortage within a few years unless many tens of billions of dollars are invested in exploration, development, transportation systems and in additional means of processing and distribution. Without a greater degree of investor confidence than now exists, capital will not be available and Canada will face energy shortages in the midst of plenty. As a result of the policies of this government, Canada and Canadians will pay a very high price, both in terms of lost economic development and in dependence on foreign energy sources, at costs which foreign nations will set.

This loss of investor confidence all began when the present Minister of Finance (Mr. Turner) introduced his budget last spring; it dealt a death blow to Canada's energy development. Exploration came to a halt in many areas, including Atlantic Canada, where we were entertaining high hopes of becoming self-sufficient in oil and gas. Those of us who live in the area still have hopes for offshore mineral development, but it is up to the federal government to get its energy house in order and establish workable arrangements with the drilling companies and provincial governments in Atlantic Canada if any meaningful development is to take place.

Speaking of Atlantic Canada, the Special Report of the Atlantic Provinces Economic Council of January, 1975, states among other things that if the region is to get start up commitments for some of the power, mining, refining, port, shipyard and manufacturing developments that are pending, it will need to find between \$5 billion and \$10 billion of development capital over a relatively short period. We need help and co-operation on power development, on solutions to fisheries problems and on industrial development in order to take care of our rising unemployment.

The report concludes by stating that the economic outlook for the Atlantic region is for a possible recession lasting throughout 1975. Here, then, is an area that requires still further consideration from this government. A cut in personal income tax of 5 per cent, as proposed in the reasoned amendment before the House, would go a long way to providing additional funds for Atlantic Canada. Such an action would, of course, improve the minister's track record. After all, a Minister of Finance who has presided over a 97 per cent increase in federal spending in four fiscal years certainly needs to do something which will make him credible when he preaches restraint.

Some hon. Members: Hear, hear!

Mr. Crouse: The views we have put forward are not ours alone. They are endorsed by leading financial newspapers. Actually, on February 10 the *Financial Times*, in bold headlines, stated that, in matters of fiscal policy, "It's time for Mr. Turner to give us a real boost". Even last fall, at budget time, finance officials said that there was a 50-50 chance a new budget would be needed in 1975. The Minister of Finance covered that possibility by saying in his speech that the situation may change and, if so, he will not hesitate to recommend a change in course. Here he was using a nautical term; those of us who have spent some time at sea have often had to change course. I say to the minister, in the three months which have passed since he