

The Budget—Mr. R. N. Thompson

ought to put it. I am convinced that the reason is that Canadian investors who put out their life savings have insufficient confidence that they are making a sound and reasonable investment. As a result they invest across the border to the south.

Repeatedly it is said that our industries are being taken over by United States capital, while at the same time our savings go to the United States. Let us be frank and recognize that the United States has done something that we ourselves refuse to do. Let us understand too that we cannot criticize others unless we put our own house in order. Until then we ought to go easy about condemning the other fellow.

Let me illustrate my point. The other day I talked with a senior executive of a major company. He needed the services of a middle class executive but could not find anyone in Canada experienced for the particular job. An application came in from the United States from a man who earned \$30,000. He was qualified for the job and wanted to come here. He did not ask for an increase in salary; he merely wanted in his new job the same amount of take-home pay he had before. The executive told me that in order to give the man from the United States the take-home pay he had enjoyed it would be necessary to pay him \$57,000 a year here.

It is said by some across the way that our taxing policies are reasonable and responsible. I fail to understand that assertion. We are suffering from a credibility gap. The present Minister of Finance and the former minister have both told us that by using our available computer systems and our technical knowledge it is possible to project the growth needs of our economy as well as the tax patterns of this country for five years ahead, to 1971 or 1972. Well, Mr. Speaker, something went wrong with the computer system because the Minister of Finance has been grossly inconsistent.

I suggest that this country needs a new breed of pioneer entrepreneurs, new managerial developers, who will create confidence and provide the know-how to develop our industries through Canadian investment. We lack vision. We are certainly in a grave financial crisis and I am deeply concerned about it. There seems to be no alternative to our presently developing financial pattern.

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member but his time has expired.

[Mr. Thompson (Red Deer).]

Some hon. Members: Continue.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, I wonder whether the popularity of the Ralliement Cr ditiste and its financial theory are not on the wane, for I notice that none of the colleagues of the member are now in the house.

[*English*]

Mr. Thompson (Red Deer): May I inform the new member of the house who has just spoken that if he were to go to *Hansard* for the last six years and read the speeches I have made during budget debates he would find that what I said previously is absolutely consistent with everything I have said today.

I have just realized that I did not hear the first part of the hon. member's remarks and thus did not understand his intent. I apologize to the hon. member.

May I say before I sit down that in the last few days I have realized that one group in our population will suffer extreme hardship as the result of the government's taxing policies. If the government's taxing policies had been directed to relieving areas of genuine need in the economy I think we might have had a different budget. I am now speaking of those who are more than 70 years old. Over one million Canadians are in this age group. About 400,000 of these people do not pay any taxes. In other words their income is so low that they depend on the old age pension and the supplementary allowance. About 600,000 of this age group earn between \$2,500 and \$3,000 a year. If the government were to adjust its tax exemptions to enable these citizens to earn \$3,000 a year without tax the cost would be very little. In this way the living standards of senior citizens who can no longer do productive work would be raised—and a genuine need would be met. The 2 per cent tax will hit these 600,000 people and take away some of the little they already have.

• (5:10 p.m.)

Time does not permit me to go on and give other illustrations. Not only do we need policies which will encourage incentive, the use of our own dollars and the development of our own resources along the broadest lines, not only do we need financial policies which will hold the expenditures of government steady until our productivity increases to the