

Income Tax Act

Then, under item 19 dealing with consumer and corporate affairs we read that the increase in expenditure included \$1.2 million, or 22 per cent, spent by the corporate affairs division and \$307,000, or 26 per cent, spent by combines investigation and research. Then, the report goes on to add that, in addition, the expenses of the Prices and Incomes Commission, established during the year, were \$569,000. Again, there is a little addendum which states that these figures do not include retroactive salary adjustments of \$1.5 million paid during the year and charged to the reserve for salary revisions.

So the expenses of the Prices and Incomes Commission amounted to \$569,000. This commission ran around the country, after its appointment, like an old dog without any teeth: it could bark but it could not bite. Its recommendations had about as much backbone as a wet fishnet. The commission could get no agreement from labour and very little agreement from industry. On its own admission, it was a failure. The government has neither abolished the commission nor strengthened it. Today, it becomes just one more barnacle on our ship of state, one more barnacle holding back the progress of this nation and causing increases in income tax of the sort contained in this voluminous bill which can only add to the burden of our people. This is what we object to today. Is it, therefore, any wonder that the government must continually raise more money to pay for its wasteful and foolish extravagances?

Mr. Boulanger: Oh!

Mr. Crouse: Someone says "oh". It is obvious that Liberal members do not like to hear the truth as told by the Auditor General; they do not like to listen to the facts as they stand. There is no denying the wasteful extravagances that are listed in the report of the Auditor General.

Under item 20 on page 11 of his report, which deals with the Department of Energy, Mines and Resources, we read of retroactive salary adjustments amounting to \$5 million which were not included in the expenditures for the year.

Under the Department of External Affairs, we note that its expenditure increased by \$12 million. This does not include retroactive salary adjustments of \$1.7 million paid during the year and charged to the reserve for salary revisions.

Under the Department of Finance, we read that the increase in outstanding bonds and treasury bills, as well as the higher interest rates of recent issues, largely accounted for the increase of \$237 million, or 16 per cent, in public debt charges. All this in one year, Mr. Speaker! In addition, there is an item of \$123 million which was recorded as a loan to the Canadian Corporation for Expo '67, which was written off as a loss under the Expo Wind-up Act.

I believe it is fair to state that, successful as Expo '67 may have been from many points of view, this debt of \$123 million ended up as a direct charge on the Canadian taxpayer who had to foot the bill. Is it any wonder that we need a whole new tax structure in order to pay for the waste and extravagance of this Liberal government? In retrospect, I suppose that we should be grateful the deficit is not larger in view of the open-ended spending practices adopted by this government. There was no real planning

[Mr. Crouse.]

for this exposition, only open-ended spending. When this exposition is contrasted with the one that recently terminated in Japan, where it was reported that there was a profit of some \$35 million, we see the difference between planning and an uncaring and unconscionable government.

Again under the Department of Finance's expenditures as detailed in the Auditor General's report we read that the expenditure does not include retroactive salary adjustments of \$907,000—almost \$1 million—paid during the year and charged to the reserve for salary revisions.

What is the position as far as the Department of Labour is concerned? As a result of this government's policy of letting a little slack develop in the economy, its policy of letting unemployment rise under the excuse that this would aid the fight against inflation, we learn that Canada's contribution to the Unemployment Insurance fund last year amounted to \$12 million, up 14 per cent. This \$12 million came from the pockets of the taxpayers in addition to the regular unemployment insurance contributions made by Canadian workers. This government has not won its fight against unemployment or against inflation. Our economic picture today is a horrible example of what can happen to a country that is led by people devoid of any forward looking policies or programs, a country that has an arrogant, uncaring and incompetent government which, if it had any decency, would resign.

There is another little addendum under the item dealing with the Department of Manpower and Immigration which again deals with salary adjustments. These addenda are found at the end of each item. In this case, we read that almost \$7 million was not included in the department's expenditures.

• (2:30 p.m.)

Let us look at the expenditures of the Department of National Defence. This was a department which was unified by the hon. member for Trinity (Mr. Hellyer), who now heads "Action Canada", a political movement to recover the Liberal party from the Socialists who infiltrated its ranks and took it over from within. We were told unification would save the taxpayers money. According to the Auditor General, last year there was a net increase of \$34 million in expenditures for defence services. There was also an increase of \$12 million in the amortization of the deferred charges resulting from actuarial adjustments in the Canadian Armed Forces superannuation account. This department spent \$1,790 million last year, and this figure does not include \$12.1 million paid during the year and charged to the reserve for salary revisions.

What did we get for these increased expenditures? Our NATO forces have been decimated in Europe through unilateral withdrawal under the Liberal government, and generally our prestige and our defence profile is lower around the world today, yet our costs are higher. This is the thread that runs throughout every department of this government, namely higher costs for less service. In the Department of National Health and Welfare, there was an increase in expenditures of \$290 million, not including expenditures by the Medical Research Council or amounts expended on scholarship and research grants.

In the Department of Public Works, general administration expenses alone increased by \$3.1 million, up 15 per