● (2110)

I should like to contrast that with some statistical information on Canadian incomes classified by occupation. There were 9.5 million workers in Canada with an average income of $12,979, and they constituted 79 per cent of the total taxpayers in the nation. In 1978 there were only 485,000 business proprietors in the country. That is a drop in the bucket because they are the people on the front lines, the man and wife at the corner store who work 80 or 90 hours a week. Their average income was $10,755, and they accounted for 3.33 per cent taxpayers.

Next we come to the poor old farmer, the person for whom I am trying to have the capital gains tax removed. There were 267,000 of them, and their average income was $10,741, the lowest of any class in our society. They constituted only 1.84 per cent of taxpayers. That is why some of us feel so strongly about farmers being ripped off by this capital gains tax. The roll-over provision is no longer effective because of what inflation has done to the value of land. The roll-over provision, based on the 1971 value, is insufficient for the 1.84 per cent of the population with an average income of $10,741.

I should like now to turn to the expenditure side of the government ledgers. We find three types of expenditures there. There are budgetary expenditures through all the line departments, loans and advances to Crown corporations and tax expenditures. The latter are the deductions such as marital exemptions and personal exemptions and superdepletion to oil companies, etc. The total amount spent by the departments is $51.5 billion. Some of the major expenditures should be examined in detail by the task force. For instance, the Department of Employment and Immigration spent $2.3 billion. We always need to examine these expenditures with a view to cutting them back or eliminating them. If we could manage that, then we could balance the budget, and that should be the goal of any government. We come next to the Department of Energy, Mines and Resources and the oil price subsidy to find that the difference between the cost of imports and exports to the end of 1980 was $2 billion.

We know that for this year the actual outflow of money to subsidize imported oil will be $6.8 billion. We would not have to spend that money if we were self-sufficient in oil, as we could be. That could have an enormous effect on our fiscal balance.

Figures with respect to the Department of Finance are interesting. According to the public accounts of Canada, in 1980 we spent $8.5 billion to serve the public debt of $80 billion which I already mentioned. Fiscal transfers accounted for $3.5 billion; national defence, $4.3 billion; family allowances, $1.7 billion; hospital insurance, $2.4 billion; medicare, $.8 billion; Canada assistance, $1.6 billion; old age security, $6.3 billion and education, $1.6 billion.

I list these items because I think the task force should examine them. A non-partisan task force that uses some common sense and listens to people across the country would surely come to the conclusion that our federal finances must be put in order. I am sure we would all be prepared to listen to some rational and reasonable suggestions from that body.

Should we as taxpayers spend $2.8 billion net on oil import subsidies? Surely those should be paid by the people who use the product. For instance, if I want to drive my big GMC Suburban, as I do, and it costs $40 to fill it, I do not think people who are paying income tax should have to subsidize me. If I were paying it all at the pump, I would think seriously about how far I would drive, whereas now I go anywhere I want. The point is that other taxpayers should not have to pay for my gas. That does not happen in any other country.

These things come home to roost, Mr. Speaker. In 1973-74 when the OPEC nations increased the price of oil, Japan and Germany immediately faced facts and told their citizens that they would have to pay for it, whereas in Canada and in the United States the governments subsidized the increase with tax dollars. The effect of that is now being felt, eight years later. It is destroying our automobile industry. In 1973-74 Japan and Germany retooled their automobile industries to produce gas-efficient engines and cars. We continued in the old way and encouraged Canadians to buy big cars.

Holding down the price of fuel was a signal to Ford, GM and Chrysler to continue producing the monster vehicles we all wanted. Now, seven years later, they cannot compete with Japan and Germany which are taking an enormous percentage of our automobile industry.

The decision the government made six or seven years ago, which it thought was in the best interests of the country, turned out to be wrong. But will it change that decision? Absolutely not. It insists on paying to one province basically, but it could be three provinces, less than 50 per cent of world price for oil while paying world price to other countries. The government dictated that Petro-Canada must take oil from Mexico. It turned out that the oil is 60 per cent sludge. We pay world price when 30,000 barrels of the stuff is sludge.

The Prime Minister (Mr. Trudeau) went to another country and said, "We will send our national oil company over here, and it will spend $250 million." That is absurd.

I want now to deal with the public debt. If we did not have the debt, we would save $8.5 billion. The hard reality is that if you do not owe money, you do not pay interest. If we had been realistic about gas prices since 1973 and if we had presented a reasonable program of tax increases to the citizens of Canada, we would not have that debt. Then, if we needed to help the automobile industry or to develop the oil industry, we would be able to go into debt. We would be able to go to the lenders and say, "We want to go into debt for $15 billion, not for operating funds, but to build something. We want to put two tar sand plants in, we want to fix the railways and we want to double-track the railways through the mountains." We would be able to make those moves when we need to.

The only problem with the Keynesian theory is that governments forget the other side of it. Keynes was absolutely correct. In bad times it is legitimate for governments to go into debt collectively to stimulate production. However, when times