

*Income Tax Act*

call them distressed, others call them depressed—and these areas were designated before the people in them knew what was going on; they had to read about it in the newspapers. We also have our new Department of Industry, and I wish it well. Our Canada pension plan is costing more money. Then we have the municipal development loan fund.

**Miss LaMarsh:** I wonder if the hon. gentleman would permit a question. Could he advise the house in what way the Canada pension plan, a matter which to date has received only one day's debate on the resolution, is costing the country more money?

**Mr. McCutcheon:** I will come to that in a moment or two, if the hon. lady would permit. I should like to refer to an editorial in the *Financial Post* for September 28, which states:

Why doesn't Ottawa give the taxpayer the unvarnished truth? Why not tell him that when the pension scheme is going full blast it will cost another \$850 million a year on top of the \$750 million now being collected to pay for our existing \$65 a month?

Then it indicates that now the pension has been raised to \$75 a month it will cost \$865 million.

Up to now no one that I have heard in this house has offered any suggestion as to ways and means of cutting down costs. What has happened to the Glassco commission report? What has happened to its findings?

**Mr. Pickersgill:** What has that to do with this bill?

**Mr. McCutcheon:** May I call it one o'clock, Mr. Chairman?

At one o'clock the committee took recess.

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**AFTER RECESS**

The committee resumed at 2.30 p.m.

**Mr. McCutcheon:** When we broke off for lunch I had just commented on the fact that during my short stay as a member of this house no one, to the best of my recollection, has ever suggested that we should attempt to reduce our overhead expenditure. All our spending seems to be justified by a sociological approach; the idea seems to be that if we dump some money here it will have a magical effect on the economy somewhere else. This seems to me an artificial approach, and I should like to ask when this government will realize, as the business community has already realized, that it is impossible for anyone to spend himself rich.

What has happened to the findings of the Glassco commission? Last November, a year ago, my right hon. friend from Prince Albert, who was then prime minister, said the government was prepared to adopt most of the suggestions made by the commission. He instructed the minister of trade at that time, who bears the same name as myself, to take charge of implementing the proposals. Things were being accomplished. The commission showed that it is possible to effect a reduction in the expenditures of this government of between \$300 million and \$450 million a year. An editorial writer has suggested this could mean a reduction in taxation amounting to as much as \$440 million. Let us examine some of the savings which were proposed. The replacement of servicemen by civilians in non-combatant defence department jobs wherever possible was thought likely to save \$20 million. Here is a recommendation which appeals to me; an improvement in methods of paper work and office procedure could save \$50 million annually. What has happened? Nothing that I know of. I should like to read, in this connection, a paragraph which appeared in the *London Free Press* of September 9, 1963:

All sorts of reasons can be given why specific recommendations can't be carried out. But no alternative suggestions for cutting a way through the administrative jungle have been heard. And no real improvement in the federal government's financial position is possible without savings somewhere.

The *Vancouver Province* also had a comment to make on this situation in an article which appeared on September 17, 1963:

It now seems that Mr. Pearson's Liberals may allow these recommendations to gather dust in some government pigeonhole.

We hear figures running into millions of dollars bandied about freely in this house. They are so huge, so astronomical, that I cannot fathom exactly what they mean. So I must come down to my own level, the level of a common person dealing with hundreds or thousands of dollars. In my constituency, for example, we have a village where there is a post office in rented premises. The post office is in the town hall in this small community. I mention this point because it relates to what I have previously said about the proliferation of bureaucrats under this government. A few weeks ago the council of this municipality approached me and said "We are receiving a small rent from the Post Office Department for space in our town hall; just a few hundred dollars a year, but it helps us maintain the village hall in this community. But the federal government has sent some people here and they say we must have a new post office. We really do not want one and we should like