

The Budget—Mr. Lewis

May I be permitted to spend two or three minutes on a dry recital of statistics. In my opinion they are very revealing. From 1963 to 1967 the share of revenues provided by direct taxes on individuals rose by just two percentage points, from 37.3 in 1963 to 39.3 in 1967. It then leaped to 48.5 per cent in 1971 and is forecast to be 49.9 per cent in 1973. Meanwhile, the corporate contribution slid from 19.3 per cent in 1963 to 16.3 per cent in 1967, to 13.7 per cent in 1971 and, finally, to 12.2 per cent under this budget. I think we should note these figures. I will have something more to say about this imbalance which is an injustice of really gross proportions to the average Canadian.

In 1950 the proportion was about equal; in fact, the corporate direct tax proportion of the federal revenue was a little higher: it was 28 per cent as against 26.7 per cent in personal direct tax. In 1951 it was again about even—29.8 per cent for the corporate direct tax and 27.8 per cent for the personal direct tax. I will now jump to 1961; I will skip years so that my statistics will not be too overwhelming. In 1961 it started to slide.

An hon. Member: A good Tory year.

Mr. Lewis: As my good friend says, it was a good Tory year. It was 38 per cent for personal direct income tax, and 19.8 per cent for corporate tax. In 1967 it was 39.3 per cent, compared to 16.3 per cent; 1968, 42 per cent, compared to 17.3 per cent; 1969, 45.5 per cent, compared to 16 per cent; 1970, 48.4 per cent, compared to 14. per cent. In 1971 it was 48.5 per cent, compared to 13.7 per cent; 1972, 48.2 per cent, compared to 13.7. For 1973 the projection is 49.9 per cent from personal income tax, as against 12.2 per cent from corporate income tax.

I have here a chart which I have drawn. It is a very revealing chart. The curve of the proportion of federal revenue from personal income tax goes disastrously up all the time, whereas the proportion of revenue from corporate income tax goes steadily down. This has occurred as a deliberate policy of government. That, and some other things that go to the corporate sector of this country, show the way in which this government and the preceding Conservative government treat the people of Canada as individuals and families compared with the corporate sector.

Some hon. Members: Hear, hear!

Mr. Nesbitt: Too bad the Gallup poll doesn't reflect it.

Mr. Lewis: We see what Liberal and Conservative government is all about—squeeze the ordinary Canadian while big business gets a free ride; and it is a free ride despite the comments that may be made to the contrary.

In his budget, the Minister of Finance forecast that for 1972-73, 15 per cent of federal spending, on a budgetary basis, will go to what he calls economic development and support. In plain English, that means that 15 per cent of the revenues of the federal treasury, on a budgetary basis, will go to grants and handouts to corporations. That is what the minister means. There will be grants under the Department of Regional Economic Expansion, grants under the various programs of the Department of Industry, Trade and Commerce, research grants, development

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grants and other concessions to the corporations in Canada.

On a budgetary basis, the minister says that 15 per cent of all federal spending will go to the corporations. Also on a budgetary basis as distinct from the national accounts basis, in order to make the two comparable we learn that 14.9 per cent, or 15 per cent of the budgetary revenues will come from the corporations which will receive 15 per cent of the budgetary expenditures. I suggest that even the Minister of Finance will agree that 15 minus 15 equals zero. The people of Canada must understand—and this is why I emphasize it—that the corporate sector makes almost no net contribution to the social expenditures of this country such as defence, taking care of the aged and taking care of the sick. All of that revenue comes out of the income of ordinary Canadian families, not from the corporate sector. I think it is important to underline these things.

I did not have the pleasure this afternoon of listening to the Leader of the Official Opposition (Mr. Stanfield). I was in Toronto when certain things happened. Although I am tempted to comment on them, I will not do so in this speech. In any event, I am certain that the spokesmen for the Conservative party will not protest against the silk-glove treatment that the corporations of Canada receive from this government, as they received it from the Conservative government in the past. I think that fact has to be underlined in this budget debate.

In 1969, the latest year for which statistics are available, 46 per cent of the corporations in Canada did not pay a cent of income tax. In the mining and petroleum industry, including oil extraction, 78 per cent of corporations did not pay any income tax. No one is going to tell me that 46 per cent of all corporations, and 78 per cent of mining and oil corporations made no profit in 1969; that they were just working the mines and extracting the oil out of the goodness of their heart and the philanthropic pressures of their conscience. They made profits, but they were able to tuck those profits away due to the kind of law that favours them, and the loopholes that are constantly provided for them.

Some hon. Members: Hear, hear!

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Mr. Lewis: I say the Minister of Finance had an opportunity to redress that imbalance and to do something about the economy and the unemployment situation. Instead of doing so, he merely emphasized the imbalance. The big cuts and the new concessions went to the corporations. There was a little help—not enough—given to old age pensioners, veterans and students.

Let me pause here to say that for the Minister of Finance to indicate in a budget an increase in social benefits is most unusual. It is not usually done in my experience, which is admittedly not a very long one.

Mr. Knowles (Winnipeg North Centre): Walter Harris did it.

Mr. Lewis: Walter Harris did it, but that was a long time ago; it was some 15 years ago. For a minister of finance to increase social benefits in his budget is very unusual. But