

government services that are not reflected in these figures, then Statistics Canada, I would submit, has a responsibility to try to produce the information so Canadians can actually see we are going to try to remedy this kind of disparity.

That is a most pathetic statement made by a young man in search of justification for his policies. Here was a conscientious Liberal, a man who really believed that Liberal policies would cure the ills of our society, dashed by statistics. The facts simply do not bear out that there has been any appreciable improvement in the distribution of incomes in this country.

Like so many of his colleagues, when the statistics did not bear out the point he was trying to make he accused those who were gathering the statistics. Or, as the Minister of Finance so often does, if he does not like the statistics on unemployment he quotes statistics he does like. He says: "Let's not talk about levels of unemployment, let's talk about how many people are working. Perhaps unemployment will then go away. I am not in the forecasting business; don't ask me what the levels of unemployment are going to be". He does not like the figures on unemployment because they are shocking, a disgrace to the country, so he finds himself some new statistics or challenges those that exist.

As a matter of fact, a little further on in the same committee proceedings the hon. member for York East (Mr. Otto) showed his unhappiness with the statistics on unemployment and started a round of questioning to see whether or not he could get Statistics Canada to indicate that there was something wrong with the way unemployment statistics are reported. Statistics Canada had to reassure him that the figures were indeed as they were, and that all the talk about participation rates and levels of unemployment and the number of young people in the labour force, new entrants in the labour force, and so on, do not alter the essential failure of the government to correct some of the glaring problems that are facing our society.

To some extent, the rising gross national product and the rising increase in production, that has taken place all over the world have obscured the redistribution of income and the fact that the benefits that are supposed to accrue from a Liberal society simply have not materialized. We live in a rich country and to some extent have been living off our capital assets. We have been polluting and taking short cuts, living off our resources, our power supplies, our iron ore, selling them off as a cheap way of maintaining much of the status quo. But we have not been running the country—certainly, the government has not—in an intelligent way.

I use these remarks as a preamble to what I am going to say about the budget, simply to indicate what has been going on and to show that the budget before the House is a continuation, a very bad continuation, perhaps even worse than before, of policies designed to perpetuate inequality between the people of the country and maintain the essential unfairness that exists. To paraphrase Walter Bagot's comment on the House of Lords, the cure for this budget is to have a close look at it; and when you take a close look at it, you see it for the bad budget that it is.

The government had at its disposal rapidly increasing revenues that could have been used to lower taxes for the

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ordinary people of Canada. Instead of that, the government gave the bulk of its growing tax revenues to the corporate sector. Of the \$850 million that the government distributed, \$350 million went—we think—for some worthwhile purposes, such as assisting pensioners and those who are going to school. But a much larger amount, \$500 million, went to reduce corporate taxes. The government is going to collect 49.9 per cent of its revenue from income tax and 12.2 per cent from the corporate sector, which indicates a growing disparity between the two revenue fields. This situation is particularly objectionable when we consider that only a little while ago there was a temporary tax reduction of 3 per cent given in the personal income tax field but 7 per cent in the corporate field. Going back to 1962, at that time the government collected 31 per cent of its revenue from the personal sector and 21 per cent from the corporate sector. Today, the percentage is 44 per cent and 15 per cent. That is an administrative budgetary figure; the other figures were taken from national accounts.

In this budget the government is proposing to increase personal tax by \$1.12 billion. Over the amount collected last year, this represents an increase of roughly 15 per cent. The government is proposing to increase direct sales taxes, which in the main come directly from the people, by almost 10 per cent. While the government is doing this, it is reducing corporate tax revenue by something like \$60 million. When you look at what the government is doing it seems hardly credible.

The government apologists may say—I am sure the minister will say this—that it is impossible to make this kind of distinction between personal income and corporate income. After all, what are the corporations? They consist of shareholders and eventually this money goes to the shareholders. This may be the case in some kind of closed society where the shareholders of an industry are nationals of one country. But this is not true in a country like ours where the bulk of the taxes collected from corporations are collected from the companies rather than the shareholders. More than half of the taxes collected in Canada from corporations are collected from foreign owner corporations. So to the extent that a tax advantage is given the corporate sector, we are conferring a benefit on a foreign treasury or on foreign investors, not on Canadians. The government is asking the taxpayers of Canada, the wage and salary earners, to pay a fantastic subsidy to foreign owned corporations.

The hon. member for Edmonton West (Mr. Lambert) asked why did not the government simply give these advantages to the Canadian owned corporations. This would have nullified what the government is trying to do, namely to bribe United States corporations in Canada not to return to the United States or to transfer production because of DISC. The hon. member for Edmonton West also said that the government did not have an industrial strategy. They certainly do have an industrial strategy, one that is becoming very obvious now. Their industrial strategy is simply to offer bigger bribes than anybody else. Their policy is: "Don't try to manage the economy, don't try to regulate industry, don't try to incorporate safeguards; just bribe. Whatever bribe is offered elsewhere, offer the same bribe".