

No wonder the Americans are able to lend us money afterwards. Their profits are so good that they are able to buy the mortgages back later on. I quote the article again:

There is no reason to doubt that the same investment income is obtained from any other form of energy development or mineral extraction, be it natural gas, hydroelectric power or common metals.

I shall stop quoting here from this very instructive document which does not show however the true situation in the United States. It has not been proved that the author had a direct line with Our Father to have enough money to develop their country and help develop the rest of the world.

Here is a recent item published in *La Presse*, and I quote:

The United States are at their wits' end.

Today, the richest country in the world is . . . broke. Last year, the U.S. economy exceeded thousands of billions of dollars; yet, the municipalities of the twenty-one largest cities are short of money to pay their police force, their firemen, their teachers and garbage collectors—The State of Ohio has reduced its payments to the aged who are ill by 32 per cent.

It also says that the city of Boston:

—lacks the means to replace its wooden sewers that are 102 years old.

Therefore, that city is in a deplorable economic situation. What is the cause of this? Here is how the same article describes what has happened:

Their leaders are in a quandary. Where is the money to fill up the gaps to be found? By increasing the public debt? But the annual interest payments already amounts to \$12 billion.

The President is therefore discouraged. He says that he was "fixed" by economists and planning experts. And I keep quoting:

In the high spheres of government, for the first time some attention is paid to the explanations of radical economists.

Those radical economists are people like Major Douglas who discovered that credit is a wealth which should belong to the entire nation and should be used in the interests of the people.

I further quote:

The Keynesians were wrong: Friedman's monetary partisans went astray; Mr. Nixon is enough of a realist to realize it.

Seeing the situation, he feels outright that it does not make sense.

However, in Canada, work is being done: surveys were carried out, a report was tabled not so long ago in the House, the Gray report. It is interesting to see what can be done in Canada to develop our natural resources and allow the population to share them.

Here is what appeared in *La Presse* of May 3, and I quote:

Economic growth could be maintained even without foreign capital.

I am certain that the author of that article is right because capital is artificial, and figures are involved. And there is a solution offered in the article, a most interesting one. The author must have consulted radical economists, since he writes as follows, and I quote:

The Budget—Mr. Lewis

Moreover the development of regional financial institutions and also a revision of the Bank Act are being proposed in order to enable provincial governments to take a financial part in the development of a bank with a Federal charter.

At last, it begins to break out, we begin to realize there are possibilities—

Mr. Speaker: Order, please. I regret having to interrupt the hon. member. I am advised that his time is over; it is probably because he was carried away by his eloquency.

In any case, unless there is unanimous consent of the House, he will have to let one of his colleagues speak.

[*English*]

Mr. David Lewis (York South): Mr. Speaker, I find it sad that the new Minister of Finance (Mr. Turner) should have exposed his corporate bias in such a naked way in his very first budget. I also find it sad that he has exposed the outmoded and outdated economic thinking which animates his policy. I find it sad, Sir, that he has become the slave of the same conservative advisers as his predecessor. All he needs is a pipe and he would be Benson reincarnated.

Mr. Orlikow: He would also need to weigh an extra hundred pounds.

Mr. Lewis: For some years, parliament and the people of Canada have waited for tax reform. A tax commission studied the matter. Almost the first sentence in the report of the Carter royal commission emphasized that our tax system suffers from inequities and injustices. We waited for tax reform last year, but we received only a repetition of the same inequities and injustices. We were presented with a tax bill that made a few, little changes but left the majority of Canadians saddled with an unfair share of this country's tax burden.

This minister, Mr. Speaker, had the opportunity in his first budget to take a stride forward to the just society. Instead, he took a stride backward. The Minister of Finance took a step which made the tax system even more inequitable and unjust so far as the Canadian people are concerned. This can be shown in various ways. I shall try to show it in one particular way, that is, the proportion of the tax revenue that is now coming from the corporate sector compared with the proportion coming from the personal income tax sector.

• (2030)

Direct taxes to be paid by individuals as the result of this minister's budget will, on a national accounts basis, be 49.9 per cent of federal revenues. The direct taxes to be paid by corporations, on a national accounts basis, will be 12.2 per cent of the federal revenue. The personal income tax will be four times as large in proportion compared with the corporation tax. I remind hon. members that the rest of the revenue comes from customs tax, excise tax and sales tax, all of which fall on the same Canadians who pay income tax. The profits which the corporations make are not touched. In case anyone thinks that this imbalance is something that was ordained by economic deities, outside the Minister of Finance or the Bank of Canada, let me point out that it is the climax of a trend that has not only continued but has accelerated under the present government.