

per cent. The rest of these allowances are gifts to large corporations, made without justice and without equity.

According to the tables that were attached to the speech of the hon. member for Duvernay, some more and very revealing facts emerge about the present Canadian system in general and about the tax system in particular. In table 2, which is based on an official report, the hon. member has calculated, or has had someone calculate for him, a comparison of book profits before tax and taxable income by selected industries for the years 1965-68. According to this table, within this four year period the metal mining industries paid tax on only 13 per cent of their book profits. The mineral fuels industry paid tax on only 5.7 per cent of their book profits. Other mining industries paid tax on only 32 per cent of their book profits, compared with the retail trade which paid tax on 90 per cent and the wholesale trade which paid tax on 87 per cent. Manufacturing industries paid tax on 63 per cent, but mining industries had an immense tax advantage, and in most cases are capital incentive rather than labour incentive.

A comparison of various sized corporations gives another inkling of the kind or system we live under and the kind of tax system presently in force. It is the large and powerful corporations that get the most assistance, whereas the smaller corporations pay most taxes. In table 3 the hon. member for Duvernay breaks down corporations by size. The table shows that corporations with less than \$1 million in assets paid taxes on 76 per cent of this profit. Corporations with assets worth between \$1 million and \$5 million paid tax on 70 per cent; those between \$5 million and \$25 million paid tax on 64 per cent; and those over \$25 million paid tax on only 47 per cent. So that the larger the corporation, the smaller the percentage of taxation on their profits.

Both for individuals and for companies our tax system benefits the strong, the powerful, the wealthy, and will continue to do so even with the few changes the minister has introduced in his budget. I should like to place on *Hansard* one paragraph from an article that appeared in the *Financial Post* for June 26 by a professor of economics, John Bossons, dealing with business, not individuals. According to Mr. Bossons:

• (3:40 p.m.)

The tax reductions in the new tax bill are primarily aimed at making tax reform more attractive for those who now have already accumulated wealth. They do very little good for entrepreneurs with little capital who seek to become wealthy. By opting to use the tax revenues gained from a capital gains tax in this way, the government has chosen to protect current wealth-holders at the expense of Canadian entrepreneurs.

Personally, I am not particularly anxious about some of the things the professor says, but his emphasis is right in that it underlines, as I have said, that large corporations, some foreign-owned, will benefit much more than anyone else.

The other items which make the reforms, so-called, inadequate and unrepresentative are the increased tax credits for dividends from 20 per cent to 33½ per cent. To give one example, if you make \$15,000 in salary or

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wages you will pay a tax of \$4,137, but if you make the same amount in dividends you pay taxes of only \$1,442. I am referring to a single taxpayer. If you make a wage or salary of—

Some hon. Members: Oh, oh.

Mr. Lewis: I am not going to listen to those irrelevant interjections, Mr. Speaker, because they are the result of those hon. members' consciences crying out, and what can I do about that.

The Acting Speaker (Mr. Laniel): Order, please. The Chair would ask for the co-operation of hon. members. The hon. member for York South (Mr. Lewis) has only two minutes of his allotted time left and I think he should be permitted to complete his remarks.

Some hon. Members: Hear, hear.

An hon. Member: That's all, two minutes.

Mr. Lewis: I appreciate the reason for the applause, I do not have to be told.

If you are a single taxpayer making \$8,000 in wages or salary you would pay a tax of \$1,654, but if you make \$8,000 in dividends you would pay no tax at all, according to the calculations we have made. This provision just continues the inequities.

To that I would add the repeal of estate and gift taxes which is, as I have said on several occasions, an absolutely outrageous introduction of inequity in the system under which the rich will be able to hand over large estates without taxes. If the intention is that provinces should enter this field, the result will be a jungle of succession duties and estate taxes with constant competition among provinces as to which will have lower estate taxes, which will attract the rich, and which indeed will result in a will being probated in one rather than another province because of provinces with higher or lower estate taxes.

I do not have time to discuss some of the other points relevant to this, but that has been done by others of my colleagues and will be done again. Any kind of objective analysis of the minister's proposals will underline the fact he is not reforming the tax system but leaving in all the injustices and inequities. He has even made some of them worse. I say to the government, and Liberal members opposite, that if they think they can continue to fool the people of Canada they do not realize how sophisticated the Canadian elector has become.

Mr. Ross Whicher (Bruce): Mr. Speaker, I am very sorry the Minister of Finance (Mr. Benson) is not here this afternoon because I feel I owe him an apology. When the white paper on taxation first came out, like many other Canadians and members in this House, I criticized him somewhat severely because I felt there was a lot in the white paper which could have been left unsaid. May I say to him now through you, Mr. Speaker, that he certainly picked up the ball and ran for a touchdown. This has been said not just by supporters of the government, but by other people across Canada from Newfoundland