

*Supplementary Retirement Benefits Act (No. 2)*

This is from the Citibank of New York, but yet the Conservatives have gone along with the Liberals in perpetuating the myth that the reason we are in an economic mess is that Canadian workers are getting too much. That is why the Conservatives went along with the Liberals in support of Bill C-124 which blamed the workers for inflation.

Despite Conservative objections to Bill C-133, the record shows how the Conservatives went along with the six and five program last spring. They go along with the Liberals in blaming working Canadians. The Conservatives are now opposed to Bill C-133. I say good. However, is there any reason to believe that if they were in power today they would not cut pension benefits?

Do not the Conservatives also believe in restricting public spending? Do they not give lip service to Reaganomics? Do they not believe, like the Liberals, that only the private sector can get our economy back on track and that corporate taxes should be reduced in order to create a good climate for business?

Let us see how well the corporations have been looked after in the last three decades. In 1950 federal and provincial Governments collected about the same amount in taxes from corporations as from individual Canadians. Let us look at what has happened since then. In 1950, there was a rough equality between corporate and private individual taxes being paid to governments. By 1960, individuals accounted for 58.6 per cent of total Government revenues whereas the corporate sector contributed only 41.3 per cent. By 1970, 71.3 per cent of Government income came from individuals whereas only 28.6 per cent came from corporation taxes. In 1980, individual taxes contributed 76.6 per cent to the public purse whereas the corporate sector was down to 23.3 per cent.

The major shift from the corporate to the individual occurred during the seventies and eighties. I am somewhat amused when the Conservatives charge the Prime Minister (Mr. Trudeau) with being a socialist. Some socialism when corporate contributions to the public purse during the last two decades dropped from 41.3 per cent to 23.3 per cent whereas individual income taxes increased from 58.6 per cent to 76.6 per cent!

Another area of agreement is that the Conservatives, like the Liberals, say that we must reduce the Government deficit. I agree, but I disagree with them as to how we should reduce it. Let us talk about deferred income taxes, which never really shows up on the books as a tax expenditure. These are the tax loopholes that are provided. In 1979, total deferred taxes amounted to some \$30 billion, almost the same as the deficit that we are running this year. Again, these are taxes that never show up on the books. It is true that the amount of money we collect from taxes is not enough to pay for all the social programs we want, but that is not because we spend too much money on these programs. It is because we spend too much money on loopholes.

• (1640)

Our tax expenditures are too high. For example, between 1976 and 1979, the federal Government's restraint program

managed to limit direct spending increases to some 30 per cent. The cost of tax expenditures, however, went up 42 per cent. The Government made a great public show of trying to save, all the while quietly giving away more and more to the rich and powerful. That is why in 1978 there were 2,316 individuals in Canada who had assessed incomes of more than 50,000 but paid not one penny of income tax. Seven hundred and forty of those individuals made over \$100,000 and 96 of them had incomes of over \$200,000 or more, and they did not pay one cent of income tax. That, Mr. Speaker, is how we can start reducing our deficit.

The Conservatives, together with the Liberals, basically agree that it is the Canadian workers who are to blame for inflation, and that it is the expenditures of the Government on social programs that are to be blamed for our deficit and for inflation. I suggest the Canadian public is being hoodwinked. We are being hoodwinked into accepting the blame and, therefore, they are preparing us to accept the pain. It is not our social programs which are to blame for Government deficits and inflation, and it is not the workers' incomes which are to be blamed for inflation. It is the amount of profits which have increased over the last decade or so. That is the major contributor to the inflation spiral which we find ourselves in.

The increase in the prices of oil in 1973, a major money grab by the oil industry and by oil-producing countries, set off a series of actions where by everyone got into the act and made major money grabs. The profit increases in the 1970s were obscene. That is the major reason we ended up in the inflation spiral. Yet are they asked to share any of the blame or any of the pain of the six and five program? Has anyone asked industry or the corporate sector to restrict their price increase to six and five, to restrict their profit increases for next year and the year after to six and five? No, Mr. Speaker; the people who are really to blame for the inflation spiral are the ones who are not being asked to share the pain. In this, both the Liberals and the Conservatives must share the responsibility of trying to hoodwink the Canadian public.

The distribution or redistribution of income in this country has never been fair, even in good times. In these bad times, those at the bottom of the income level are being asked to make the greatest contribution in fighting inflation. For example, in 1965 the top 20 per cent of income earners in Canada took home 41.4 per cent of all the money which was earned while the bottom 20 per cent got a bare 4.4 per cent for their efforts. By 1980 things had gotten more lop-sided. The top 20 per cent pocketed 42.5 per cent of all the money earned and the bottom 20 per cent had dropped to 4.1 per cent. The rich do get richer and the poor do get poorer, Mr. Speaker.

The six and five program which this Government has introduced and which was supported by the Conservatives this spring is a further reduction of the incomes of average Canadians. I suggest that when the figures are compiled in terms of income redistribution for 1982, 1983 and 1984, it will even be more lop-sided than the figures I have quoted today.

I have received correspondence, from my constituents, as other Members have from theirs, concerning Bill C-133. I would like to put some of this communication on the record.