

The Budget—Mr. Crouse

The hon. member for Winnipeg North Centre said that in 1951 Canadians in the lowest 20 per cent of the income group were earning about 4 per cent of the total national income. He said that in 1975 the figures had not changed much. I have the figures the hon. member used here today. I regret that the hon. member for Winnipeg North Centre was misled regarding these figures. The figures he used were for all units, that is, unattached individuals and family units. He said that in 1951 they were receiving 4.4 per cent of total income in Canada, that in 1965 they were getting 4.6 per cent, and that in 1975 they were getting about 4.1 per cent. I say that the hon. member was misled. I know he is in the House most of the time, he works hard, but I think a New Democratic Party researcher handed those figures to him, and he thought that they would be an accurate reflection of the facts. Those figures came from a Statistics Canada study on total national income before taxes, but they do not represent a true measure of the extent to which we have helped people. They represent merely a measure of the capacity of Canadians to earn income. They include interest income, dividend income and even some business income which is earned by individuals as opposed to corporations.

The hon. member for Winnipeg North Centre could have used another Statistics Canada study which showed income distribution by size after taxes in Canada. The New Democratic Party researcher to whom I referred could have provided that study to the hon. member for Winnipeg North Centre, but he chose a study which would help with the political argument of the New Democratic Party. The study which was chosen just happened to be very bad because the figures used were for total income. They had nothing to do with income after taxes. They were for the years 1951 to 1975. I have found a report for 1976, so I can update the figures. The figures used by the New Democratic Party do not reflect what is referred to as transfers in kind; in other words, what governments have been doing since the 1950s to redistribute income through hospitalization, health care and education programs. Not only did the hon. member for Winnipeg North Centre not use a figure for income after taxes, but he also did not take into account that federal and provincial governments in this country have done much to redistribute income in order to reduce the expenditures of poor people on medical treatment, hospitalization and the education of their children.

I know that the hon. member for Winnipeg North Centre always wants to be honest, so I suggest that next time New Democratic Party researchers give him figures he should ask from where the figures came and make sure that his political arguments are based on true facts. He always makes good political arguments, and I just point these things out because I want to help the hon. member continue to make his political arguments.

Mr. Knowles (Winnipeg North Centre): Were the facts not true?

Mr. Breau: Of course the facts were true, but New Democratic Party researchers advised the hon. member for Win-

nipeg North Centre that the study they were giving to him was good, and there was an error made because that study dealt with total income, which has nothing really to do with the benefits governments have tried to redistribute to Canadians. That study did not deal with income after taxes, health care, hospitalization and education which have been provided to Canadians by federal, provincial and, in some cases, municipal governments. Those governments have taken in taxes and spent them to benefit all Canadians.

Perhaps the hon. member for Winnipeg North Centre would like to refer to Statistics Canada catalogue number 13-210, "Income after tax, distributions by size in Canada, 1975." Perhaps the hon. member would like to write that down. The figures contained in that report are the latest available. According to that report, all units, including unattached individuals and families, which represent the 20 per cent of the population which has the lowest income earned 4 per cent of total earnings in 1975. But what is the figure for income after tax? It is 4.6 per cent. It is true that in 1975 the 20 per cent of the population which had the highest income earned 42.6 per cent of the total income, but what did those people get by way of income after tax? The figure went down to 40.6 per cent. If the hon. member for Winnipeg North Centre wants to use figures, he should look at what the figures say. If we look at after tax figures, the reverse of the hon. member's conclusion is the case. The 20 per cent at the bottom are getting more, and the 20 per cent at the top are getting less.

Mr. Knowles (Winnipeg North Centre): How much more?

Mr. Breau: Not enough.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to participate in the budget debate. During my 22 years as a member of the House of Commons I have been privileged to listen to many budget speeches. Many of them have been long on rhetoric and short on performance. This has been especially true during the past decade. I have always been intrigued by the little booklets which are prepared by ministers of finance and delivered to us as member of the House of Commons on budget nights. Their size and format have varied little over the years, and although the words are somewhat different the end result is always the same, namely, the taxpayer has to run a little faster, like the squirrel on his treadmill, just to stay in the same position. For example, when John Turner introduced his budget on November 18, 1974, for 1975 he stated, and I quote from his booklet:

We in this country are confronted by two major economic challenges—dealing with persistent, deep-seated inflation and at the same time maintaining a good level of production and employment. This will require us to steer a narrow course if we are to avoid more inflation on the one hand, and the risk of a recession on the other. And in doing so we must also do everything we reasonably can to protect Canadians who are less able to protect themselves from the ravages of both. That is what this budget is all about.

Then Mr. Turner went on to introduce a budget which increased expenditures by 28.3 per cent, which followed an