chasing power declined by nearly $6 a week during the past year alone. The Minister of Finance, in granting this "fantastic tax break", has the unmitigated gall to ask working men and women to exercise restraint at the bargaining tables this year. What deception!

However, if your income happens to be around $30,000 a year, you can claim a tax credit of $750. It is this, Mr. Speaker, that makes this budget to regressive, so unfair and so oriented toward the wealthy in our society. I ask, how can a struggling family in Canada today fight inflation with a tax reduction of less than a dollar a week? The price of food and rents is going up; houses are beyond the reach of not only the poor but the middle income earners. Yet the Minister of Finance says his budget will "mitigate the effects of inflation". That is so much rubbish. In virtually every situation since the Second World War, wage increases have come after the effects of inflation have reduced the purchasing power of working people. No reputable economist has suggested that the latest round of price increases has been caused by pressure from wage demands.

Is it any wonder that thousands upon thousands of Canadian workers, men and women, are becoming deeply frustrated with the present spiralling cost of living? No one in his right mind would opt for wage restraint when he has lost nearly $6 in real wages per week and the government gives him back less than a dollar a week to fight inflation. A great deal of the labour unrest in Canada today is due to the fact that Canadian workers have lost faith in their governments to protect them against the devastating effects of inflation, with no end in sight. In his budget speech, the Minister of Finance stated that "we have to find a better way of reconciling competing interests of the various groups which make up our society". No one can argue against that. Yet statistics show that wages and salaries, as a proportion of the gross national product, have been falling steadily since 1971. In 1972, wages and salaries made up 55 per cent of the GNP; by the fourth quarter of 1973 this figure had fallen to 53.2 per cent. Meanwhile, corporate profits have been going up from 9.6 per cent of the GNP in 1971 to 13.7 per cent in the last quarter of 1973.

In his budget, Mr. Speaker, let us see how the Minister of Finance responded to this situation. First of all, he has extended indefinitely the two year rapid write-off for the purchase of machinery and equipment by manufacturing and processing companies. This extension is based on the questionable assumption that the GNP will continue at about 4 per cent when in fact the OECD, a more accurate forecaster than the Minister of Finance, predicts that the real growth of our economy could fall to 1 per cent.

● (1630)

Secondly, the minister's reaction to the wishes of the private sector is based on the other faulty assumption that Canada's trade will remain strong. Canada exports 60 per cent of her goods to the United States. That country is now in a recession, with no sign of improvement in sight. If we cannot sell our products to the United States—and there is already a decline—what good is the rapid write-off? I also strongly suspect that the Minister of Finance's thrust toward deficit financing is not so much to buoy up our economy but is, more precisely, to pay for the unemployment that is bound to increase as our volume of trade with the United States continues to decline. I suppose we will just have to wait to see what taxpayers across the country, generally speaking, will have to pay for unemployment insurance benefits in 1975.

This budget, Mr. Speaker, also has seriously reversed the government's earlier decision to create a greater public presence in our resource industries not only in terms of investment but in terms of important decision-making. Now the emphasis has been shifted back to the private sector, to those "poor, destitute" companies like Exxon, Shell, Texaco, BP and so on, whose profits have been soaring as the retail price for gasoline and home heating fuel has soared. In fact, within a year we may well be paying over $1 for a gallon of gasoline. As the Minister of Finance has implied, the primacy of the private sector in the resource field is reaffirmed. This is a serious, retrograde step.

Unless Canadians, through their elected governments, gain greater control over their natural, non-renewable resources, we will be a have-not nation within a generation. Why, then, I ask, is the federal government bent on lowering the tax rate on petroleum products from 30 per cent in 1974 to 28 per cent in 1975 and to 25 per cent in 1976? And why the 100 per cent write-off of exploration expenses? These measures will put hundreds of millions of dollars in the corporations' hands, only to be stacked up with other little goodies like tax deferments. Again I repeat, this is a rich man's budget; it is a corporate budget; it is not a people's budget.

Here we have a situation where the Minister of Finance says we must lessen the burden of inflation on those most vulnerable, yet does nothing for the most vulnerable. He reaffirms his faith in the rich, powerful, corporate elite by giving them even bigger hand-outs and tax concessions, and does nothing to place our depleting natural resources in the hands of responsible, democratically elected legislators. At the same time, no doubt to protect himself later, the Minister of Finance admitted that not only would food costs remain high but they would probably go even higher in the coming year.

We in the NDP presented a policy during the last election campaign—a policy I admit the people of Canada did not accept—to establish a prices review board with power to investigate suspicious increases in prices and to roll back those increases if they were clearly unwarranted. We still demand this as the only safeguard for the average Canadian against price gouging and profiteering. But with four years of majority government ahead of us, I doubt whether this will ever become government policy. In the meantime, Canadians will continue to pay more and workers, organized and not organized, will not only bear the brunt of this tragic situation but they will continue to be unfairly and unjustifiably blamed for it.

I would like to turn my attention to our senior citizens. As of October 1, a single pensioner receiving the maximum old age security and the guaranteed income supplement was receiving just over $200 a month. The average rent for a one-bedroom apartment in the city of Brantford, where I live, is between $160 and $170 a month. Though there are a few very fine senior citizens' public housing developments in Canada, they total only 67,000 units. In Canada there