

The Budget—Mr. Nystrom

in this country, a gap which has been increasing in the last decade because of the rule of the Liberal Party.

I want to go over a few statistics which I think should be on the record, and should be of concern to us all. I will take the income figures for families and individuals in 1965 and in 1972. In 1965 the bottom 60 per cent of Canadians earned 34.2 per cent of the income in this country; the top 20 per cent earned 41.4 per cent. In 1972, some seven years later, the bottom 60 per cent saw their income drop; they made only 32.2 per cent of the national net income, while the top 20 per cent earned 42.9 per cent. Again there is a widening of the disparity during the years of the so-called just society.

When you come to the wealthy, the figures are even more startling. The most recent figures we have for wealth are for 1970. The top 50 per cent of people, families or individuals, own 93 per cent of the wealth of this country; the top 10 per cent of people, families or individuals, own 41.8 per cent of the wealth, and the top 1 per cent, many of them friends of the Minister of Finance, own 12 per cent of the wealth of this country. Is that the just society, Mr. Speaker? Is it a step toward equality? I say it is not and, as the hon. member for Oshawa-Whitby (Mr. Broadbent) comments, it is just for the rich, but we see it continued in the budget that is before us today.

● (1620)

When you look at the comparison between the corporate and the individual tax bill you find that over the last ten or 20 years individuals have paid more in taxes, and the corporations have paid less. In 1950 individuals paid 27 per cent of the tax bill of the federal government and corporations 28 per cent; in 1968-69 individuals paid 34 per cent of the taxes and corporations paid 20 per cent; after five years of the just society the individual tax bill went up again, and in 1973-74 they paid 41 per cent of the taxes and corporations paid 18 per cent.

That trend is continued in the budget before us today, which gives even more write-offs and incentives to corporations. The two year write-off has been extended indefinitely, although it was supposed to run only to the end of December, 1974. The minister was supposed to review the effect of that fast write-off for the House, but we have not seen that review. Why has he not been consulting us in this regard? The minister also said the fast write-off would cost \$150 million, but I suspect it will cost much more than that.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) has talked about an expansion of billions and billions of dollars for manufacturing and processing. If this is so, how can the fast write-off cost only \$150 million? The Minister of Finance should come clean about this. In the last year or two, industry has earned very high profits and there is no reason why it should seek to have the write-offs extended beyond the end of this year.

Then there was the phony gimmick of the 10 per cent surtax on corporate incomes. But an examination of the budget information shows that almost all corporations are exempt from that tax. This can be found on page 20 of the supplementary information provided with the budget. The surtax will not apply to manufacturing or processing profits, to petroleum or mining profits, Canadian controlled

private companies eligible for the small business deduction, to investment, mortgage investment, to mutual funds, to non-resident-owned investment corporations, or to the investment income of private corporations. Who in the devil does it apply to, Mr. Speaker? Is it just a gimmick to try to make people believe that the minister is concerned about profiteering in this country?

As a change from the May budget the minister has provided an abatement of five more tax points to the oil companies, beginning in 1975 and 1976. Then the minister offers a write-off for exploration costs of 100 per cent. That was supposed to be reduced to 30 per cent in the May budget. I wonder why that is being done when the profits of at least Imperial Oil and Gulf are so high.

Finally, the minister has gone ahead with the non-deductibility of provincial taxes and royalties. This was done without consultation. An agreement was made with the oil producing provinces earlier this year, but that is now broken and we can expect difficulties as a result. It strikes me as strange that the minister would disallow taxes paid to a provincial government by oil companies. The provincial governments on behalf of the people own and husband the resources. At the same time the minister allows exemptions for depletion, fast write-offs, write-offs for exploration and development, for entertainment, and almost anything else. When it comes to a provincial tax or royalty, however, he does not allow a company to write that off as a legitimate expense.

A company can claim a royalty to the CPR, or a royalty to any nation in the world as a legitimate expense, but when it comes to the people of Saskatchewan or Alberta the minister is concerned that they are getting too much money. I suggest the minister has broken an agreement and it is not surprising that the premiers of those provinces are unhappy with the budget.

The minister has also broken his word to Saskatchewan regarding equalization. He told the provinces that if the additional oil funds went into capital funds they would not be equalized, but all of a sudden in the budget he proposes to equalize one-third of those funds. That will cost Saskatchewan \$36 million to \$40 million this year, Mr. Speaker, according to the minister's department and to the provincial department of finance. This just should not happen in a country where there is supposed to be a consensus, where there is federalism. The minister strikes me as one of the new Godfathers of Confederation. He broke an agreement that, after a great deal of bargaining was signed and put into effect.

In this country there are all kinds of handouts. A few years ago the Carter Commission said that gas and oil companies paid taxes on only 7 per cent of book profits, and mining companies paid something the same. Now the government is asking us to give more concessions to gas and oil companies.

The time has come for us to say that exhaustible and depleting resources should be owned by the people and used by them as public utilities. In most provinces the hydro is publicly owned, and the government should be encouraging the moves of Saskatchewan and other provinces toward public ownership and control of non-renewable resources. Instead, the minister has threatened, at a press conference, to impose a tax on provincial Crown