

*The Budget—Mr. Orlikow*

The minister suggested that kind of program will encourage manufacturing plants to invest in new machinery, be come more efficient and hire more workers. I suggest that it will do nothing of the kind. Manufacturing plants that are now working on short time with one shift will not invest in new machinery which they do not need to meet their present demands. If there is more demand, they will bring in more workers. They will not do what General Motors plans to do on July 1, when there will be a complete shutdown for one month or more so that all of its employees will not be working.

The minister's tax cut for corporations of \$500 million will mean a substantial increase in their profits. The minister has provided a gold plated carrot for the corporations of this country, one which they do not need. The fact is that corporation profits are up very substantially. I realize some hon. members may say I am partisan, that I am unfair. They may be right. Let me, therefore, prove my contention that corporation profits are moving up substantially and that corporations do not need this carrot which the Minister of Finance is providing. I quote from the *Financial Times* of May 8, 1972: under the heading "Profits are looking better" we read the following:

• (1740)

Canadian corporate profits are continuing the recovery which began last spring, helped by tax cuts and a liberated consumer. First quarter earnings make exceptional reading. One first quarter survey in Canada, taking in 93 public companies, found that profits were 27 per cent ahead of the same period last year. Profits from both private and public companies were up 18 per cent from 1970.

The article goes on to list some examples. Steel Company of Canada Limited's first quarter profits were up 55 per cent, Royal Trust Company's first quarter earnings were up by 60 per cent, and Traders' Group Limited's by 30 per cent. Imperial Oil was ahead 33 per cent in the first quarter, Dupont of Canada's first quarter profits rose sharply, and the first quarter earnings of the Ford Motor Company of Canada were up by 60 per cent.

It is against this background that the Minister has proposed, and government backbenchers will support, this rape of the public which will give the corporations another \$500 million. Keep in mind that what the minister is proposing is that beginning January 1, 1973, the 3 per cent cut in personal income tax which was instituted in the fall of 1971 as a temporary measure will cease. So in fact the ordinary citizens of Canada will experience, not a tax cut such as the corporations will receive but a 3 per cent increase in income tax.

It is true there have been increases in payments to old age pensioners and veterans, but those increases were demanded by members of the opposition in all parties for two or three years and were refused time and time again by the government. Why has action been taken now? It is because the government has been watching the public opinion polls. The government's stock has been dropping, so an attempt is being made to buy the old age pensioners. I suggest that old age pensioners have better memories than the government gives them credit for. They know what the government has done; they know it refused for three years to grant necessary increases.

[Mr. Orlikow.]

Why is the government following such a stupid budget policy? It does so because it is wedded to the idea that the only good which can be done in the economy is by the private sector. Whatever the private sector does is good. If they want to build another filling station or another supermarket, that is good, even though we do not need them. But if the government spends money on pollution control, on housing or community centres, that is bad, that is inflationary. That is why the government places all the emphasis on the private sector; and not on the whole of the private sector, either, but on the 95 big corporations which supply the campaign funds for the Liberal party.

[Translation]

**The Acting Speaker (Mr. Boulanger):** Order. It being 5.45 o'clock p.m., it is my duty, pursuant to Standing Order 60 (7), to interrupt the proceedings and forthwith put the question on the amendment before the House.

[English]

The House divided on the amendment (Mr. Lambert, Edmonton West) which was negated on the following division:

• (1750)

## [Division No. 20]

## YEAS

## Messrs:

Aiken	Lundrigan
Alexander	MacDonald (Egmont)
Alkenbrack	MacInnis (Cape Breton-East Richmond)
Asselin	MacInnis (Mrs.)
Baldwin	MacKay
Barnett	MacLean
Bell	Macquarrie
Bigg	MacRae
Blackburn	McCleave
Brewin	McGrath
Broadbent	McKinley
Burton	Marshall
Coates	Mather
Dinsdale	Mazankowski
Dionne	Moore
Downey	Muir
Fairweather	Murta
Flemming	Nielsen
Fortin	Noble
Gilbert	Nystrom
Gleave	Orlikow
Godin	Paproski
Grills	Peters
Gundlock	Ricard
Hales	Rock
Hees	Rodrigue
Horner	Rondeau
Howard (Skeena)	Rose
Howe	Rowland
Knight	Ryan
Knowles (Winnipeg North Centre)	Rynard
Lambert (Bellechasse)	Skoberg
Lambert (Edmonton West)	Stewart (Marquette)
Laprise	Tétrault
La Salle	Thompson (Red Deer)
Latulippe	Valade
Lewis	Woolliams
	Yewchuk—75.