

*Income Tax*

● (2040)

[English]

**Mr. Stuart Leggatt (New Westminster):** Madam Speaker, I listened with some interest to the remarks of the hon. member for South Shore (Mr. Crouse) who, when looking in this direction, suggested the amendment proposed by this party qualified for three charges. First, he said it was irresponsible. Then, secondly, he said it was not researched; and thirdly, he might as well have said it was stupid.

**Some hon. Members:** Hear, hear!

**Mr. Leggatt:** He also said something else about us. He said we should exercise some caution. He asked why these fellows over here do not exercise some caution, because restraint is what we need. I would ask whether restraint is what we need in this country when we now have just under one million people unemployed, according to today's statistics.

The response by the Tory party to that situation is an amendment which would plough back about \$500 million at 5 per cent into the economy. That was their measured and cautious response. I suggest it is a response which will not have the effect needed in this country.

Make no mistake about it, this is a rich man's budget. This government operates on the old trickle down theory; if you put enough in at the top it will trickle down through all the layers and finally get to the bottom, where somebody will have some purchasing power and we can start the wheels rolling again. I suggest things do not work that way.

What is needed in the present situation, with the whole western world in a state of real economic uncertainty, with the United States experiencing something more than 8 per cent unemployment and it is still rising, is a one-shot, massive infusion of capital at the bottom level of the economy; and that is what the amendment proposed by this party will do.

**Some hon. Members:** Hear, hear!

**Mr. Leggatt:** The Minister of Finance (Mr. Turner) is sitting near me—

**An hon. Member:** With all the other Tories.

**Mr. Leggatt:** Yes, he is sitting with all the other Tories and looks as though he is in the process of developing another Alberta alliance. If this House sees fit to accept our amendment, this will mean that something like \$4 billion will be put back into the bottom level of the economy, on a one-shot basis, to get this thing back on the rails. On the basis of there being 10 million taxpayers in Canada, this \$4 billion would regenerate about \$1.5 billion in taxes; so the actual cost of the proposal of this party would be \$2.5 billion. I suggest that is the sensible thing to do at a time of crisis. There is only one party in this House tonight that realizes we are living now in a time of real crisis and uncertainty; this is the only party in this House with the guts to adopt this kind of response to that kind of uncertainty.

**Some hon. Members:** Oh, oh!

[Mr. Allard.]

**Mr. Leggatt:** What the government has done in this budget in respect to housing is insignificant. We need some 400,000 housing starts this year.

● (2050)

I suppose we could call this budget an incentive budget, a typical free enterprise budget, a budget that will make the rich richer and hopefully will allow them to take that money and stop buying yachts and Cadillacs, the sales of which continue to rise while sales of low cost cars are down. The budget will steer priorities away from those items, we hope, and put them back into the economy. I just do not find that life works that way and I do not think that it has worked that way, as will be realized by anyone who has studied the economic history of this country over the past ten years.

What we need is some real tax and income relief at the bottom level. What this budget does is to count on the private sector to pick up the slack. But it is the private sector that has been failing this country, not the public sector. Now that the private sector is failing this country, the response of the government is to prop it up. Apparently what we have to do is to prop these fellows up, because if we do not, we will all go down the tubes. I do not buy this philosophy. I think that this country can stand a little more socialism and a little more public ownership.

**Mr. Peters:** A little less socialism for the capitalists.

**Mr. Leggatt:** It is very interesting to look at the response of the minister recently with regard to wages. We are really worried this year that the wage earners in this country will make excessive demands. It is a funny thing that in 1972, 1973 and 1974 corporate profits in this country were at an all time high, but where was the Minister of Finance (Mr. Turner) then? Where were all those crocodile tears concerning restraint? They said: Hold back, you fellows are taking far too much of the section of the gross national product which is going to the corporate sector. I did not hear any cries of anguish, but suddenly when there is a real possibility that the wage earners in this country will seek to have a larger share of the pie, we all start talking about restraint, we will have a national consensus, we will have a social contract.

I would have liked to hear that four or five years ago, not this year. That is one of the reasons there is real concern whether this government is serious at all, in view of its record over the past three years.

Let us look at some of the corporate profits. In 1971 the net profit of International Nickel after taxes and expenses was \$94 million. In 1972, it went to \$109 million. In 1973, it went to \$226 million. Imperial Oil in 1971 had a profit of \$141 million. In 1972 it was \$157 million, and in 1973, \$228 million. MacMillan Bloedel had a net profit of \$22 million in 1971. In 1972 it was \$37 million and in 1973, \$81 million. That happened under that terrible socialist government. I do not know what happened to MacMillan Bloedel. It must have been part of the resource industry which the Minister of Finance told me today was so hard done by by that socialist government of British Columbia. I think that MacMillan Bloedel and other major corporations in B.C. have done very well indeed under the NDP government,