suggest it is time that prospectors be given the relief to which they are entitled.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill C-275 essentially deals with two different items. It deals with a reduction in income tax for individuals and corporations, and also with certain payments for manpower training. In view of the fact that I gave my notes on manpower training to the hon. member for Gander-Twillingate (Mr. Lundrigan), I will now address myself primarily to the tax reductions for individuals and corporations. The hon. member for Gander-Twillingate went on at great length about manpower training, and for that reason I will try to stick to the other point. When the hon. member for Gander-Twillingate first started speaking, he said he did not understand the approach of the hon. member for Oshawa-Whitby (Mr. Broadbent), but I hope that after hearing me and a couple of other members of this party, he will be enlightened.

On October 14 the Minister of Finance (Mr. Benson) introduced a number of new measures, one of which was a 7 per cent cut back in corporate income tax and the other a 3 per cent cut back in personal income tax. As the hon. member for Oshawa-Whitby said, we think the way he is pursuing this tax reduction is unfair, inequitable and regressive. What is before us, Mr. Speaker, is nothing less than a gift to those who have large incomes, and also a gift to corporations. The Minister of Finance is a great big jolly Santa Claus and on his back he has a big bag full of goodies, but only for the richer and more wealthy people in the country. This is the type of society this government has been building. When they talk about the just society they do not refer to the working people, the small businessmen and the farmers, but just the rich people of Canada. That is why I am rising to take part in this debate, and why our party is concerned about Bill C-275 which is just another piece of regressive legislation.

• (5:40 p.m.)

My riding is made up primarily of farming people, working people and small business people. I know most of them realize that the tax system in Canada today works against them and makes their daily lives more difficult. This bill only perpetuates the tax system which was supposed to help them. The reduction in personal income tax is uniform right across the board, a 3 per cent reduction for everyone regardless of income, while the corporation tax is reduced by 7 per cent.

I cannot help thinking of the speech given in this House on December 16 by the hon. member for Duvernay (Mr. Kierans) when we see the inequity in the bill before us. He made the comment that in recent years the government has been gaining more revenues from the individual than from the corporations in this country. He said that in 1961-62, 35 per cent of all federal government revenue came from taxes on individuals. Last year, it was 41.4 per cent. Over the last ten years, more government revenue came from individuals than ten years before. Looking at corporations over the same period, we see that they pay less now than they did in 1961-62. According to government figures, in 1961-62 government revenue from corporation taxes was 23½ per cent while last year it was 19½ per cent. This illustrates the inequity of the tax system in this country, an inequity which is perpetuated and accentuated by the bill before us. Certainly the economy needs to be stimulated, but this must not be achieved by giving extra privileges and gifts to those who already enjoy privileges under the existing system. What we should do is give extra privileges to those in the lower and middle income groups and arrange for more government spending. This would generate activity in the economy and a higher employment rate which would benefit everybody. As it is now, we know that the economy works against the great majority of people in Canada.

Earlier this afternoon the hon. member for Oshawa-Whitby quoted some statistics which I think should be emphasized. Bill C-259 reshuffles the income tax rate, and I would like to show how this affects a married taxpayer with two children under 16 years of age who earns $4,000 a year. After passage of the new tax bill, he will pay $73 in income tax. If the bill before us today is passed he will pay 3 per cent less which amounts to $1.09. The man in the same circumstances who earns $30,000 a year will pay $152.34 less and the man earning $100,000 a year will pay $757.70 less. This shows the regressive nature of this tax bill before us today. If you happen to be wealthy, the amount of the reduction will be greater and you will pay less tax to the government. This is not the way to stimulate the economy, nor is it the way to help the average and middle income earner in the country. As I said, the bill synchronizes beautifully with the line of the tax amendment passed by the House in these last weeks.

Now, I should like to spend a few moments pointing out what the tax system does to a number of people in this country. Let us consider the positions of three single men who have no dependents, each earning $10,000 a year after the passage of the tax reform bill and the bill before us. The first man who earns $10,000 through wages or salary is going to be taxed $2,285 per annum. The second man, who earns $10,000 through capital gains is going to be taxed $844 per annum. The third man, who earns $10,000 by dividends from corporations is going to be taxed $193. Is this equity or neutrality in the tax system? I suggest it is not and that we should make a value judgment. If you earn money from capital gains or dividends you are worth more and are taxed at a lesser rate than if you earn money in a factory, on a farm or in a small business. This is the type of inequity on which we based our tax system, and Bill C-275 is just an extension of it which also favours those who have money over those who do not.

Another section of the bill before us today reduces corporate income tax by 7 per cent right across the board. There is no consideration of whether a corporation is large or small, whether it is labour-intensive or capital-intensive, foreign controlled or Canadian controlled or of the type of industry involved. As a result, I believe that this 7 per cent reduction will be nothing more than a "rip off" at the taxpayer's expense. Here again the tax system as it relates to corporations and industry, is inequitable. The hon. member for Duvernay pointed this out quite brilliantly when he spoke in this House earlier in this session.

Statistics published by the Manitoba Department of Finance verify my point. They show the taxes paid on profits and an average of the profits made by certain businesses in this country over the last ten years. As I