

For instance, with an income of \$2,750 a married man with two children will receive family allowances payments of \$144. The equivalent income deduction for the whole of the \$144 is \$870; we have \$200 of income deduction now given in addition to the family allowances; we arrive at the total for the two children of \$1,070, which means that the equivalent in income deduction per child is \$535, when before the war the deduction per child was \$400. In the range of incomes from \$3,000 to \$5,000 the equivalent income tax per child is \$460, and from \$5,000 to \$7,000 the equivalent income deduction per child is \$400. It is interesting to note that at levels of income up to \$7,000 the deduction from income is never less than \$400 per child, when the total exemption from income tax per child over sixteen is only \$300. The expenses for a child over sixteen are higher than for a child under sixteen and the deduction is smaller. There is an anomaly there, brought about by the reduction in the rates which have given an increased value to family allowance payments calculated

on the equivalent deduction from income tax. May I submit respectfully, Mr. Speaker, that in order to reestablish a better balance the exemption for a child over sixteen should be increased to at least \$400.

It has been argued in this house that the proposed reductions in personal income tax for 1947 and 1948 were protecting the people in the middle and higher brackets of income to a greater extent than those in the lower income groups. At this stage, with the permission of the house, I should like to place on *Hansard* a table showing the distribution by income groups of combined income tax reductions and increase in family allowance benefits in 1948 over 1946 as provided in the budget speeches of June, 1946, for 1947 and April, 1947, for 1948.

Mr. DEPUTY SPEAKER: Has the hon. member unanimous consent?

Some hon. MEMBERS: Carried.

Mr. LESAGE: I will hand the tables to *Hansard*:

Distribution by income groups of combined tax reduction and increase in family allowance benefit

	1947* Reduction (\$ millions)	1948† Reduction (\$ millions)	Total \$ Reduction (\$ millions)	Total per cent Reduction
Benefit to 550,000 to 600,000 exempt taxpayers....	24	..	24	100
Benefit to taxpayers having incomes under \$2,000..	45	43	88	85
Benefit to taxpayers with incomes \$2,000 to \$3,000	40	42	82	80
Benefit to taxpayers with incomes \$3,000 to \$5,000	20	33	53	60
Benefit to taxpayers with incomes \$5,000 to \$10,000	11	31	42	50
Benefit to taxpayers with incomes \$10,000 to \$25,000	9	15	24	33
Benefit to taxpayers with incomes over \$25,000....	6	11	17	25
	155	175	330	

* As provided in June, 1946, budget speech.

† As provided in April, 1947, budget speech.

Of the total benefit of \$330 millions:

60 per cent is given taxpayers having incomes up to \$3,000.

75 per cent is given taxpayers having incomes up to \$5,000.

87 per cent is given taxpayers having incomes up to \$10,000.

12 per cent is given taxpayers having incomes over \$10,000.

Hon. members will remember that in the budget speech of June, 1946, from 550,000 to 600,000 taxpayers were exempted from income tax, and it meant a reduction of \$24 million. The total reduction announced in 1946 for 1947 was \$155 million and the reduction announced in the last budget speech in April, 1947 for 1948 is \$175 million, which makes a total of \$330 million. Of this figure of \$330 million the benefit to taxpayers having incomes under \$2,000 was, for 1947, \$45 million and, for 1948, \$43 million; that is to say, a total of \$88 million; for taxpayers with incomes from \$2,000 to \$3,000, the benefit was \$40 million in 1947 and \$42 million in 1948, which amounts to \$82

[Mr. Lesage.]

million altogether, and they are the largest figures in the whole scale which will appear in the table placed on *Hansard*.

The total reduction for taxpayers with incomes under \$2,000 was 85 per cent from 1946. The benefit was of 80 per cent to taxpayers with incomes from \$2,000 to \$3,000. On the whole amount of \$330 million, 60 per cent is given to taxpayers having incomes up to \$3,000.

The Minister of Finance was right in believing that the verdict of responsible persons would be that he has gone as far as he could afford to go under the present circumstances. The new rates bring about a material reduction in all brackets of income and, together