

The Budget—Mr. Knight

awarded during the drama festival held in London, Ontario. They performed Moliere's beautiful play: *Le Medecin malgre lui*, the first which I read in French.

I am also happy to note that Mr. Bill Walker, from my province of Saskatchewan was judged the best artist of the festival.

Now, Mr. Speaker, let us get back to business; the budget must be discussed, and with your permission, I shall continue in English with which language I am far more familiar.

(Text):

The budget is a distinct disappointment, first of all, to those who looked upon it to reduce some part of the cost of their living. That cost of living has been steadily rising and still rises month by month. These people thought they would get some relief from the budget but they got none. The excise tax, the luxury taxes and the sales tax remain the same and the cost of living continues to go up. These taxes I have mentioned must concern the great mass of the people—people who perhaps pay no income tax at all or pay very little. They must, however, buy groceries and clothes and must pay rent, and practically all their income is used for that purpose. They usually have no savings, no war bonds, and such of these as some people did gather during the war years they have had to sacrifice to bolster their wages or their small salaries so that the bonds have gone back into the hands where they usually repose.

I wish to name here some of these objectionable taxes. First, there is the tax on the consumption of electricity. I have already on another occasion brought to the attention of the administration the inequity of this tax, because it is applied on the amount of money, on one's electric bill, rather than on the amount of the electricity consumed. This means that a person in a high cost of production area like my own is paying much more for electricity, in point of tax, than the person in an area of low cost of production such as Ottawa. This tax, though not the method of its application, might have been defended in the war years on the ground that it conserved electricity; but, now that the war is over, it is still discouraging the use of that source of energy, and that is a result which is no longer to be desired, because electric light and power should be cheap to everyone.

We have heard much about the prices of chocolate bars and soft drinks. I do not want to labour a point that has already been covered by other speakers, but I feel, in justice to those who have written to me on

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the subject, that I should here bring forth the views of my constituents upon the matter.

I think I should state that they consider that the present would be a good time to get rid of these nuisance taxes, which bear particularly heavily upon youth and upon school children. The amount of pocket money which the school children have has no doubt been decreasing in proportion to the amount of money in their parents' pockets, and that latter is a decrease for which this government must accept some share of the responsibility. Everyone would like to see an increase in production and in the use, too, of consumer's goods, but we find standing in the way of that another tax which could very well be reviewed, and that is the tax on many goods sold by jewellers and hardware merchants.

Young veterans trying to establish themselves in their homes are hard to convince that an alarm clock is a luxury, or that knives and forks belong to the same category. Surely the tax upon those things should now be dropped and even the tax on some of the real luxuries, on the ground that it is about time that people should be allowed to get some of them after the long dearth of the war years.

Having concluded, then, that this budget has done nothing to reduce the cost of living, we need not be surprised that everywhere there are rumblings of demands for increased wages and salaries. I was pleased to see that the public school teachers of my own city of Saskatoon were granted an increase of \$100 a year the other day; and it is stated quite distinctly in a newspaper that I read that it was given out of recognition of the steadily increasing cost of living. This general demand for an increase in wages and salaries has been brought about by one thing, and by one thing only; that is, the mark-up on the price tags in the stores.

Having discussed what the budget did not do, we might look for a moment or two at what it did. The reduction of income tax to be paid by the individual was widely heralded, I think perhaps more so than was justified. The minister gave the figures of the reduction on a percentage basis, and on that basis it looks very fine. I think it went as far as fifty-four per cent on some of the smaller incomes. But when you translate that percentage reduction into dollars and cents, you do not buy very much with the proceeds. What does this loudly heralded reduction mean, for instance, to the single man in the lower bracket who earns \$800 a year? I mean, what does it mean in money? Well, beginning with next July, this man will get a reduction in his tax of exactly fifty cents