

Mr. BERTRAND (Prescott): The Minister of Finance—and this will readily answer my hon. friend—told a labour delegation that tax reductions on incomes would probably be disappointing to some. Let us be very careful about the wording: “disappointing to some.” It is going to be disappointing to whoever tries to scratch his own sores and does not look at the welfare of the country at large. But in spite of this, people believe, and correctly so, that there will be some tax reductions. Among these reductions there is one—

Mr. ROWE: Be careful!

Mr. BERTRAND (Prescott): That is wise advice, and I thank my hon. friend for it. I say there is one which I claim is of capital importance. It is not so much taxation; it is to a degree exemption from taxation.

In 1942, when the budget was announced and the savings portion of income tax brought into force in this country, that very savings portion—I should like my fellow members to keep this in mind—was considered as a tax, so that exemption of \$150 given to a married man for his wife, and \$80 exemption on the progressive tax in respect of each child, applied equally on the savings portion as well as on the fixed tax portion. In 1943 that policy was in effect for a full year, but in 1944 announcement was made of the cancellation of the savings portion of the income tax for six months of the year. This in effect has reduced the exemptions granted for wife or children in the same proportion as the cancellation of the savings portion of the tax, so that the exemption to the married man was considerably reduced, and that of the bachelor not materially affected. May I tell hon. members at once, so that they will not wonder where I stand, that I am a married man. As I said, the position of the bachelor was not materially affected. I really believe that that was not the intention of the budget of 1944, and correspondence exchanged at that time with the Minister of Finance would lead me to think so. I hope that this situation has been under review since, and will be corrected this year.

At the present time one persistent rumour would advocate the cancellation of the normal tax in the coming budget. Because of this persistent rumour I believe it should be brought to the attention of this house, because if this were done without other corrections, it would be found that the reduction in tax would again be less to the married man and to the father of a family than to the bachelor. Again, I think the Minister of Finance would not encourage a system whereby the father of a family would be compelled to limit the

[Mr. Rowe.]

number of his children who would receive college or university education because of having to pay comparatively more than his share of taxation. If that were to become law, the 7 per cent normal tax for the married man would disappear. In the case of the bachelor, 7·8 to 9 per cent would be written off. The result would be a real benefit for persons without dependents but would be unfair to taxpayers with dependents, since they would actually suffer the loss of \$28 per child; consequently they would be placed in a more difficult position as compared with this other class of our population.

Of course it is very difficult to make suggestions in the matter of taxation, because in a country like ours it has so many angles. Nevertheless I would venture to suggest that the following exemptions on income taxes should be not only considered but granted in the coming budget. I am not so much concerned with the criticism that we have not reduced the Income War Tax Act to the degree that people expect, because, after all, the people do not expect a real reduction of taxation on a large scale at this time. But I believe we should give a chance to the married man. The bachelor should be granted an exemption of \$750 instead of the \$660 he is receiving at the present time, and this should be doubled for the married man, which would give him a tax exemption of \$1,500, and for each child below eighteen years of age or who is going to college or university there should be an exemption of \$400, all of these to be reduced directly from the net income of the taxpayer. These, in my opinion, would be only fair, and would go a long way to help fathers of families and married people in this country, and I venture to add, would also make our worthy Minister of Finance a far more popular minister.

Many other problems could be dealt with at this stage, but the leader of the opposition gave us an example this afternoon which I think ought to be followed by back-benchers like myself. This example given by the leader of the opposition in making a short speech was followed by the Prime Minister; also the leader of the Cooperative Commonwealth Federation was not so long—I could have listened to him a little longer—and I suppose it behooves me to follow that example of brevity.

Yes, the problems we shall have to face in this parliament, and afterwards, are many. In my opinion the leader of the opposition, forgetting that we have been at war for six years, based his criticism more on political grounds than on any others. The leader of the C.C.F. tried to popularize his party by

conveying the idea that people are suffering in this country, or at least that they have suffered and will suffer in the future. I do not believe that is the proper point of view which we should adopt in the interest of the future welfare of this country. The leader of the Social Credit party (Mr. Low), although he made a good impression, at least upon me, is still a provincial. In my opinion a few years or perhaps a few months of experience in this house will broaden his outlook as compared with the views he expressed in his speech this afternoon.

In this time of transition immediately following the end of the war many problems will have to be faced, but one can well say that Canada is prepared for any eventuality. For our returned men we have on our statute books about the most advanced legislation to aid their return to civil life that can be found in any country in the world. We have a Department of Reconstruction and Rehabilitation with a minister at its head who has proven his valour during the war while leading the Department of Munitions and Supply. We have at the head of the Department of Agriculture a minister as active as any minister of that department has ever been, and if there has been any prosperity to that class of our population one can well say that Jimmy Gardiner has done his bit. We have a Minister of Finance who has held out successfully against inflation, and whether the meaning of my words at this time is rightly understood by all, I suggest that the same minister who so successfully contended against inflation during the war will place this country in a position in which it will compare favourably with any other country in the world. That is no mean compliment to pay one man and it is due to the Minister of Finance to make that statement. I have no doubt we can trust him in making Canada a prosperous country to live in now that victory has been achieved. But, above all, we have a Prime Minister who has given the best part of his life, which is not a few years, as anyone knows who is acquainted with his past record, in an effort to raise the standard of living of our people generally and to establish better relations between labour and industry. And what is more—and these are my concluding remarks—he has made of Canada an important nation of the new world.

Mr. J. O. PROBE (Regina City): In spite of the glowing account of my hon. friend opposite, who has in his dramatic manner told us that all is well within the confines of our country, I wish to record, at this stage of the debate on the address in reply to the

speech from the throne, certain observations that I know my constituents of Regina look upon as dealing in paramount fashion with the well-being of our city itself and which, while carrying special weight there, are typical of urban problems right across the Dominion of Canada, my hon. friend to the contrary notwithstanding.

These topics, to which I wish to refer sketchily, are full employment and housing. As an overseas veteran recently discharged, and with some four months' activity in the Department of Veterans Affairs attempting to settle some of our comrades' problems, I feel I can speak for that large body of younger men and women who are now looking to us to reabsorb them happily and satisfactorily in the peace-time life of our country. Nor, while I am a new member of this house, am I so naive as to feel I am going to alter very greatly the crystallized ideologies or the prejudices of the more mature and expert members.

The present government has assumed office on the pledge of full employment coupled with a rising level of social security, all placed on a free-enterprise platform. In a broadcast to our Saskatchewan citizens on the eve of election the Prime Minister of Canada (Mr. Mackenzie King) as well as the Minister of Agriculture (Mr. Gardiner), as I remember, emphasized the fact that in the Liberal party were to be found business abilities which, by inference at least, were not to be found in the C.C.F. or in other parties asking for a mandate from the people, and which are so necessary in this imminent transition period from war to peace.

And so on June 11 the Canadian citizens gave the Liberal party its somewhat shaky and uncertain order to go ahead and finish the job of making Canada a place fit for heroes to live in. The best planning efforts of the Liberal party in the transition period are, I think, in the matter of veterans affairs, with some rather important exceptions. I wish to congratulate the government on the gratuity principle, on the plan for continuance of interrupted vocational or university education of veterans, and on the idea at least embodied in the term “reestablishment credit”.

One very great defect in the gratuity system implemented by the government is that with the changes from time to time in the clothing grant for example, varying from as little as \$35 to a high of \$100, certain inequalities have been caused to veterans, depending upon the date of discharge. I feel that this should be amended to bring every veteran, regardless of date of discharge, up to the maximum receivable, and I further suggest