

ance should be condemned. The amendment condemns the minister because his proposals—

(d) fail to raise the income tax exemption levels; and

(e) fail to make any provision for the more than half of our population who are compelled to live on incomes below the present exemption levels.

The discussion which has followed the introduction of these two amendments has caused those of us sitting on this side of the house to marvel at the difficulty experienced by speakers in both groups on the other side of the house in keeping out of each other's preserves. That is not at all surprising when one reads the amendments again. They might have been drawn in one room by the same individuals. They might have been brought to this house in a desire on the part of those sitting in the two groups opposite to find themselves working together against the government on this occasion. But whatever the reason for the drafting of the amendments in their present form, we have these two amendments before us. The C.C.F.'ers are constantly putting up arguments in favour of the Conservative amendment, and vice versa. One would almost think they are more concerned about agreeing on this occasion than about settling the problems of the people of Canada.

The Minister of Finance did not ignore those in low income brackets, as has been suggested, those who do not pay income tax. He stated they constitute over half our taxpayers, and therefore are responsible for the care of over half our people. He said there would be no increase in taxes which would affect them. He even stated he would not endanger their position for the further benefit of those in the income tax brackets. His statement is to be found at page 2554 of *Hansard* for April 29, 1947, and is as follows:

If we raised exemptions above the levels established last year, we should in fact be sparing so many from income tax that it would be unfair to the large number of the people who are below the present exemption levels, because we would inevitably be forced to rely for necessary revenues upon indirect taxes which would bear more heavily upon the low income groups.

In a statement of that kind there is no ignoring of this particular group, which bears the full effect of tariff and other indirect taxes, and which represents about half the population of Canada.

An hon. MEMBER: Over half.

Mr. GARDINER: Yes, over half. It is a concise statement of long-time Liberal policy. We favour raising as great a part of the revenues as possible by direct taxes, and placing as large a part as possible of the indirect taxes on those commodities which are not

[Mr. Gardiner.]

necessities, in order to avoid undue taxation of those in the low income groups through indirect taxes on necessities. Running all through Liberal policy from confederation down to the present time there is found that desire on the part of Liberal governments to avoid, as far as may be possible, taxing the necessities of the people of this country. Therefore on this occasion the minister did not find it either advisable or necessary to increase those forms of taxation which naturally would find their way to this particular group of our population. Both the C.C.F. and the Conservative party have been talking against the imposition of this policy although condemning the government for not going further with a policy which they alone have always believed in and put into effect.

The leader of the C.C.F. party submits tables and waxes eloquent, as usual, in condemning those who have incomes of \$200,000. He even condescends to compare the tax of those with incomes of \$5,000 and \$10,000 with those having an income of \$1,000. As a matter of fact in 1946 there were only 2,484 people in Canada who paid income tax on incomes of over \$25,000, and there were only 246,000 who paid income tax on incomes of over \$3,000. To come right down to the nightmare of the hon. member for Rosetown-Biggart there were only 109 persons with incomes of over \$100,000; and the best estimate I can get is that there will be only between twenty and twenty-five who pay on incomes of \$200,000 or over. So, after all, what the hon. member for Rosetown-Biggart is worrying about is that the tax was not decreased sufficiently upon some twenty persons in Canada, according to the statement he made to the house the other day.

Let us compare that with the further statement made by the official critic of the Progressive Conservative party. He was greatly concerned about those with incomes between \$3,000 and \$7,500. These he described as the great middle class of Canada. He seemed to be concerned about the fact that their income tax had been reduced to an average amount of 29 per cent and that the highest rate of interest they could draw upon investments was a rate of three per cent. He pointed out that therefore they found difficulty in caring for themselves in later years.

There are no doubt a great many fine people in that group who pay income tax on incomes from \$3,000 to \$7,500. I have nothing to say about those people which would not be complimentary to them, nor have I any comment to make on the remarks of the hon. member for Muskoka-Ontario with