

The Budget—Mr. Irvine

Just think that over a period of ten years, from 1954 to 1964, out of \$221 million spent in the Hull area and on the Ontario side, only \$9 million were allocated to the Quebec side.

Those are the remarks I wanted to make as my contribution to this debate.

● (12:50 p.m.)

[English]

Mr. Jack A. Irvine (London): Mr. Speaker, I should like at this time to say a few words with regard to the Budget and perhaps some other measures of a fiscal character which were not included therein. I will make them as brief as possible because I know there are many other hon. members who wish to speak.

It is my impression that this is a negative Budget. This Budget was conceived in desperation and born in doubt. It is fraught with the prospect of giving birth to a baby Budget at any time. I am sure many people across this country were concerned about the changes in income tax. I think they were alarmed to find that the tax has been increased in the middle and higher income range. I think they were even more alarmed that greater reductions had not been made affecting those in the lower brackets. It seems to me that the dividing line is around \$4,000.

In 1965 the previous minister provided for a decrease in income tax amounting to approximately 10 per cent. The increase this year is in the neighborhood of 14 per cent. I know it must have been merely incidental that in the period between came an election.

I have a chart here which contains some interesting figures. It was printed in the *London Free Press* on March 30, 1966. It shows that a single person, with no dependants, receiving \$1,300 a year would last year have paid \$15 in income tax. This year he will be able to make a great saving. He will pay only \$13. This \$2 represents approximately half a cent per day. In the \$3,000 bracket a married person would have paid \$65 last year. This year he will pay \$59, a saving of \$6. I do not think this sum will go very far in buying the necessities of life, the cost of living being what it is today.

Here is another example. A married person, with two dependants, earning \$3,000—and there are many of them throughout this country—would last year have paid \$22. This year he will be paying \$20, a grand saving of \$2. Six out of ten people are paying more money. The other four save \$1 or \$2 or \$5. I contend that this is nothing but an election hoax.

I was concerned, as I know everyone was, that there was no increase made in old age security payments. I wonder why. The Prime Minister (Mr. Pearson) himself is reported to have said during a recent election campaign that he would make available \$100 a month or up to \$125 where necessary. I presume he meant on the basis of a means test.

The election is now ancient history. The amendment we moved during the debate on the address to increase these payments to \$100 was voted down. The Prime Minister himself voted against his own election promise. How can the senior citizens of this country live on \$75 a month as many of them are forced to do? The government has raised our salaries. The salary of the Prime Minister has been raised. Why would they forget old age security recipients?

I contend that the acceptance of such an increase would not cost as much as we are led to believe. Ninety per cent of the money involved in the extra \$25 per month would, I am sure, go back to the general economy. A large proportion of this amount would find its way back into the federal treasury through different taxes. Many of these people, through no fault of their own, are hard hit by the rising cost of living. Spiralling costs make it almost impossible for them to live with any semblance of dignity. Someone once said there is nothing to fear from the present government while we are in a state of prosperity and nothing for us to hope for when we are in a state of economic distress.

I have here a clipping from today's *Ottawa Journal*. Incidentally, April 22 is an important day because it is the anniversary of the first battle of Ypres. The article reads as follows:

● (1:00 p.m.)

Hundreds of Veterans of the 1st Canadian contingent will gather in Ottawa to pay tribute to their comrades who fell victims to the horrible gas attack, and also to renew acquaintances.

The Prime Minister and his Liberal government should also remember that these surviving members are not only "veterans of war," but that all are now "old age pensioners," many of whom no doubt are feeling the pinch on \$75 per month, and no doubt many will ask themselves was the sacrifice really worth it.

With regard to the refundable tax of 5 per cent on corporation profits over \$30,000 I should like to ask, is this designed to place a brake on industry and on productivity and, if it is, how is the word "brake" spelled? Is it b-r-e-a-k or b-r-a-k-e? I am sure many firms would use this money for expansion if they