

the case before the minister in as favourable a light as possible, and I hope the minister will give some thought to affording relief to people with large families and incomes of \$1,500 or less, in comparison with the position they previously occupied. I remember when we had an exemption of \$500 for each child. My memory goes back nearly twenty years to the time we raised this question in the house. With such an exemption the position of the taxpayer with a large family would be much more favourable. I do think that the minister might give some consideration to the appeals of those who find themselves with large families and small incomes. Unfortunately I cannot include myself among them. But in these days the people living in my own community, the generality of them, have just these moderate salaries. Take the civil servants in the employ of the provincial governments. They are really a poorly paid lot. Not many of them have high salaries. They are not nearly as well paid as the federal civil servants, and they find it very hard to keep up their position in the community as they are expected to do, and as they ought to do, and raise a substantial family. The net result I fear will be a falling off in the size of families of people in that category.

Resolution No. 1 raises the whole question of the adoption and the application of the so-called Ruml plan. I made some reference to this in my speech on the budget on the 18th of March, and took occasion then to say that the minister had adopted the principle of the Ruml plan to make taxation current but had not adopted the Ruml plan itself, and I wondered why, because the minister's was only a partial implementation of the promise that was made in the speech from the throne. In other words the minister gave us half a loaf, but only half a loaf, and I asked him, when speaking on March 18, at page 1356 of *Hansard*, to give consideration to the question of wiping out the arrears for 1942 and making the necessary adjustments. I did that on the theory that if it were done I did not believe the treasury in the long run would lose anything. I am not going to labour that argument, but I have seen it raised many times in the public press and in discussions here and in the United States. The minister has not yet made any reference to that. This, of course, is a matter of principle, and I think it ought to be discussed on the floor of the house to-day. If the minister would wipe out the entire arrears and put everybody on a current basis in accordance with the Ruml plan, wipe out the deadweight of debt which the taxpayer has to pay—and this applies to the little taxpayer much more than to the

big taxpayer; for it is harder for some to pay \$100 than for others to pay \$1,000—if all were put on a current basis as indicated by the Ruml plan and you lifted from their shoulders the dread of being always in debt to the government, I venture to say there would be a much more cheerful compliance with the provisions of the minister's budget.

The tax paying public of this country were treated pretty harshly by the minister last year. We had one raise after another in the rates of taxation, and one reduction after another in the exemptions. I can understand thoroughly the reason why. The reason was the necessity of raising more money for war purposes, and I do not imagine that any other minister of finance would have acted differently, because he would have been obliged by the exigencies of war to raise a large amount by taxation. The income tax field happens to be one of the most prolific sources of raising money on the theory of ability to pay. I have always said that the Canadian people would pay, and pay willingly, if they were satisfied that there was equality of service and sacrifice. Whether there is or not I am not going to argue. I have argued against the suggestion that there was equality of service and sacrifice. I think that some people were called upon to pay much more than others in certain income tax groups, but I am not going to labour that here. I do suggest to the minister, and I should like to have his reaction on this, that if he had adopted not only the principle of the Ruml plan for current payment, but the actual plan of making the payments current, the treasury in the long run would not have lost a dollar, because we are paying out more money in this country to-day than we paid out last year. There is more governmental expenditure; the national income is higher; there is more money available which will flow into the treasury in the 1943 taxation period on which collections are now being made. Has any calculation been made, and if so what is the result of the calculation, if full effect were given in Canada to the Ruml plan? That is one query which I leave with the minister.

I am aware that there are extreme difficulties in putting the Ruml plan into effect, because of the action of the minister last year, in the budget he brought down, whereby he made us pay the full balance due on the 1941 income taxes and four months on the 1942 taxes out of twelve months' income, in the last six months of the calendar year. That is where the great pinch came. Personal income tax payers had to provide for