

The Budget—Mr. Nicholson

Then I should like to give the same comparison for married persons without children:

Gross Income	Married Persons		Increase
	Yearly	Daily	
\$ 2,000	\$ 1,882	\$ 6 27	.25
3,000	2,617	8 72	.36
5,000	4,027	13 42	.61
10,000	7,277	24 26	1.46
20,000	12,512	41 70	3.82
30,000	17,012	56 71	5.56
50,000	24,359	81 20	5.15
75,000	32,009	106 70	11.36
100,000	38,509	128 36	13.39
200,000	57,159	190 53	10.94

I agree with the minister that the amount of revenue that would be obtained from the relatively small number in these higher income brackets would not be great; but after asking our people to tighten their belts during the war, I think an income, after all taxation, of over \$57,000 a year for a married man without children is unnecessary. I remember that on a previous occasion the minister indicated that he did not really know what people did with such large amounts of money, that he had not had those amounts himself and had no particular desire to have them. It may be that I have peculiar views regarding these matters, but I think the prime minister of a country should have the highest income in that country. I cannot think of anyone who, in the minds of the people, should have a more adequate income than the prime minister of a country. I believe also the Minister of Finance should stand very high on the income list, and I think it must be very difficult for him to justify the "take-home pay" he has for himself, while year after year bringing in budgets which leave so much to the few in the higher income tax brackets. I believe that if the hon. member for Muskoka-Ontario would compare the two tables I have just given he might feel that the minister has kept reasonably close to the standards which prevailed back in the seventeenth century, when it comes to rewarding people in these various groups.

Before I conclude, I should like to say just one word about the failure of the Minister of Finance to indicate a more positive programme in connection with dominion-provincial relations. Recently I received from the attorney general of Saskatchewan some comments regarding the proposals as they affect that province. He says:

In Saskatchewan's case for example under the conference proposals we were to give up the right to impose income, corporation and inheritance taxes and in return were to share in the benefits resulting from:

- (1) per capita grants of \$15 costing the dominion 198 million annually;
- (2) public investment and unemployment assistance and other grants estimated at roughly 150 millions annually.

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(3) health insurance and grants worth an eventual 165 millions;

(4) an old age pension offer worth 220 million.

All figures are taken from the *Financial Post* of July 6.

In other words the dominion was prepared to spend 733 millions in return for exclusive rights in the three tax fields. Of this Saskatchewan would have received her share.

Under the budget proposal Saskatchewan is required to pay the full price fixed for an expenditure by the government of 733 millions but what she gets in return is only a share of a federal expenditure of 198 millions.

Under the new proposal the government is spending 535 millions less than offered at the convention. On a population basis Saskatchewan would have participated in that expenditure to the extent of approximately 40 millions.

In other words, under Mr. King's proposal of April 29, 1946, Saskatchewan would have received her proportionate share of 733 millions or 53 millions. Under Mr. Ilsley's new proposal Saskatchewan will receive only 13.7 millions and we give up or lease or lend to the dominion exactly the same things, namely income, corporation and inheritance taxes and our statutory subsidies.

The government of Saskatchewan has taken the position that the offer is better than no offer at all, but it is not good enough considering the needs. The federal government is the one authority that can find funds for housing, for old age pensions, for social security, for health services; and if at this time we do not receive positive leadership from the federal authority, I very much fear that the trend will be accelerated under which the provinces will be unable to deal with these problems, and the municipal authorities will throw up their hands in despair.

After having demonstrated that we could defeat our nazi enemies across the seas, by making extensive efforts, it is strange if we cannot solve the problem of poverty in the midst of plenty in our own country. So I hope that before the resolutions have been passed we shall have some revision of the federal government's proposals to the provinces, and also that there will be some indication that the people in the lower income tax brackets will receive relief, while those in the higher income tax brackets, who are better able to pay, will have their taxes maintained at the high levels which prevailed during the war.

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, the hon. member who has just taken his seat made some reference to woollens. Goodness knows it is hot enough to-night, without that.

(Translation):

I suffer from the heat to-night. I am sorry that Mr. Speaker is not in the chair at the present moment, so I could tell him how much