

without first giving full recognition to the amount necessary to maintain a decent standard of living.

I now want to turn to the other criticism we make, namely that there are anomalies in the rate structure. In the course of what I have to say I shall deal also with the question of whether or not sufficient revenue could be obtained without going down into the lower brackets. In passing, I desire to say that in arguing clearly within the confines of income tax legislation to-night, I do not want to be taken as admitting that this is the only way to balance a budget. My principal dislike of the financial position of the country at the present time is the more than \$430 million a year we must set aside to pay interest on the national debt. This group has contended right along that what we basically need is the nationalization of our financial structure. At the moment we have not that and we have to deal with the kind of budget that is before us, so I shall talk in those terms.

Let us look at the rate structure which the minister has brought down and which he says he has tried to make as fair and equitable as possible. I hope that the courtesy granted from time to time to hon. members to place certain material on *Hansard* has not been exhausted by the previous speakers, because I have four tables which I have prepared and which I should like to place on the record. I suggest, Mr. Speaker, that perhaps you might wait until I have described these before you ask the house whether or not unanimous consent is given to place them on *Hansard*. I may say that three of them are prepared from the two tables which the minister placed on *Hansard* at pages 2916 and 2917. The source of the fourth one I will indicate when I come to it.

The first table I have entitled, "Net increase in amount of income retained by taxpayers after payment of 1947 income tax as compared with 1945 and 1946." After all, that is what impresses itself upon the Canadian taxpayer, how much greater will be his "take-home pay" as a result of the application of this budget, compared with what it is at the present time. I have listed the income ranges from \$1,300 a year to \$200,000 a year. Opposite these I have three columns, one headed "single person," the next "married person with no children," and the next, "married person with two children." Those are the categories of which the minister gave examples in his tables.

Under these headings I have put the amount of the net gain realized by, or the net relief afforded to, these various taxpayers. When one looks at this table set out in that manner he will see some rather interesting things. First

[Mr. Knowles.]

of all, it becomes obvious that the greater a person's income, the greater will be the increase he will enjoy after the new budget comes into effect. I know that to many hon. members and to some people outside the house the principle has been accepted so long as to have become sacred that to those who have an abundance more should be given than to those who are in the lower brackets and are in real need.

But bearing in mind the lofty principles advocated by this government, such as when it introduced family allowances and when it placed its social security measures before the dominion-provincial conference, it seems to me that more consideration ought to be given to the net position of the people of Canada than is given by the income tax revision in this budget. In addition, one discovers from looking at this table that in a number of cases all the way from \$1,500 to \$4,000 a year the married person without children receives a greater increase in "take-home pay" or is afforded greater taxation relief than the married person with two children. I have mentioned this to a number of my colleagues. It is so incredible they have felt that I must be wrong, but the figures speak for themselves.

In addition to that, there are a number of instances, at the \$1,300 level and all the way up from \$5,000 to \$200,000, where the single person is afforded greater relief and gets a greater increase in "take-home pay" than anybody else, than the married person without children or the married person with two children. In the face of a situation like that, I did not feel that I could let the minister's statement go unchallenged, although I know he believes it, when he says that he regards this schedule as fair and equitable.

I admit that it is fair to one group, namely, the 550,000 who have been taken off the income tax rolls, but what a shame to have to admit that there are that many people in this country who, if single, are earning only between \$660 and \$750 a year or, if married, between \$1,200 and \$1,500 a year.

I move on to the second and third tables which I should like to give to the house. These two are made up from the two tables that the minister gave on the pages I have indicated. My headings on these are, "Amounts by which income tax payable is increased at each level over that payable at a base of \$750" for a single person, and "Amounts by which net income tax payable is increased at each level over that payable at a base of \$1,500," for a married person with two children. The reason I have worked out these tables is that in considering my first table the minister might