

*The Budget—Mr. Benidickson*

**Mr. Browne (Vancouver-Kingsway):** The people are paying less in taxes than they were paying when you were in office.

**Mr. Pickersgill:** That is not true.

**The Acting Speaker (Mr. Rea):** Order.

**Mr. Benidickson:** I am not going to review at this stage the individual resolutions which will be brought forward for debate in their separate context at a later stage. As I have indicated, although a fair amount of digging is required to find much to commend in the budget, there are some items there that I have previously commended. But as is so often the case, I find that my hon. friend lacks frankness in giving his real motives for some of the changes that take place. One of the items—and I have no particular quarrel with it because it is apparently designed to eliminate discrimination with respect to investment income—is this.

**Mr. Bell (Carleton):** Why preface it then with such a sneer?

**Mr. Benidickson:** We find here that the government is proposing to remove the 4 per cent surtax on investment income; and it says that coupon clippers will have this saving largely because there is discrimination in that income from investment from other sources such as pensions, rents and so on is now exempt. But to clothe this move with his own approbation the minister starts to talk about the poor widows and so on and the people who have lost the family breadwinner. I want to remind the house, **Mr. Speaker**, that investment income is already exempt from taxation up to \$2,500 per annum. Hence the little recipient of modest income from investment has already been escaping this 4 per cent surtax.

**Mr. Bell (Carleton):** Did the hon. gentleman not say that he agreed with this proposal?

**Mr. Benidickson:** I said that I have no quarrel with it. What I object to is the fact that the minister always wants to cloak his explanation—

**Mr. Pearson:** Phony explanations.

**Mr. Benidickson:** This explanation has really not the motive of elimination of discrimination when he starts to refer to modest incomes.

**Mr. Bell (Carleton):** The hon. gentleman proposes to vote for this proposal, does he not?

**Mr. Pickersgill:** That is the usual query.

**Mr. Bell (Carleton):** Will the hon. gentleman answer the question?

**Mr. Pearson:** The tears were phony ones.

**Mr. Benidickson:** That is right.

**Mr. Bell (Carleton):** There is no answer from the hon. gentleman.

**Mr. Benidickson:** When my hon. friends were sitting on this side of the chamber they had a standard rule of thumb when they were looking at financial statements and they always referred to a family of five. They used to say that the surplus meant that you could reduce taxes by \$500 for every family across the land; at about \$100 per person it would amount to \$500 per family of five.

I have done a little bit of calculating on the financial record of this administration based on a family of five and I want to give the house the benefit of some of these calculations. Let us look at the matter of interest alone on the debt of this country. In 1956-57 the debt charges of the country were \$520.2 million. The estimate provided to us for 1960-61 is \$739.3 million. This is an increase for each year in the burden of interest on our debt alone of \$219 million since the Conservative administration came into office. This works out to about \$12 per capita. In other words, for a family of five the new interest burden, not the over-all interest burden, which is now imposed, is \$60 every year for every average family of five.

I have here also a table of taxes taken in by this government. I have here a figure indicating that total revenues taken in in taxes in 1958-59, according to the white paper presented in the budget of 1960-61, page 92, totals \$5,130 million. This works out to \$269 per capita. In the estimate in the same document for 1960-61 the government indicated that the tax take for 1960-61 would be \$6,522 million. That works out to a per capita tax take of \$326. The difference is about \$57 per capita. If you translate that figure into a family of five, it means that approximately \$300 per family is being taken in taxes by this administration beyond what was taken just three fiscal years previously.

**Mr. Bell (Carleton):** Such wild statistics.

**Mr. Benidickson:** In addition to that we have, of course, figures as to how this government has gone behind in its over-all account. We have an increase in debt of about \$1,100 million reported in the budget of March. Today we add almost \$300 million more as reported last night. We know that the assets of the unemployment insurance fund are down almost \$600 million from the levels at which they were before this administration took office. We know that they have used up the defence equipment account which was there when they came into office in the sum of \$235 million. If you add all these things up you will find that this means an individual per capita increase in debt