Savings Deposits—Chartered Banks of Canada—as at October 31, 1945

Size of Accounts	No. of Depositors	Aggregate Deposits	Average Deposits
$1,000 or less	4,968,655	$ 862,261,212	$ 173 50
$1,000 to $5,000	584,182	1,142,894,098	1,956 00
$5,000 to $25,000	59,971	496,976,622	8,287 00
$25,000 to $100,000	3,085	133,405,289	43,243 00
In excess of $100,000	819	347,798,839	424,662 00

Of course I am aware that this is not all the savings in the hands of the people. A considerable number of the victory bonds sold are still held by the people who bought them, but I should be very much surprised if an analysis of victory bond holdings would be materially different from that of saving deposit accounts. In this regard a comparison of the figures for the two victory loans floated in 1945 is significant. The minister placed them on record in his budget speech. Though $431 million more was raised in the ninth victory loan than in the eighth loan, there were 230,639 fewer subscribers to the latter loan. This shows that with the end of the war the ability of the workers to buy bonds or to save had diminished rapidly.

In view of all this, the party for which I speak deeply regrets that the Minister of Finance did not see his way clear to raise the exemptions on the lower incomes to at least $1,000 for single persons and $2,000 for married persons. The minister said that raising the exemptions to $750 and $1,500 had taken between 550,000 and 600,000 persons off the income tax rolls. Nothing more need be said to show how shamefully inadequate our low incomes really are. People in those income brackets cannot live decently. A study of the tables appearing on pages 2916 and 2917 of *Hansard,* showing the percentage of the proposed 1947 taxes, would seem to bear out the truth of the biblical dictum that "to him that hath shall be given and from him that hath not shall be taken away even that which he hath." It cannot be said too often that the taxes one pays must be measured in terms not of the amount paid but of the amount left after the tax has been paid. If an individual has paid only a dollar he has paid too much if he has not enough left for himself and his family to live in decency. On the other hand, if a person has paid $10,000 in taxes he has not paid too much if he still has sufficient left for a decent living. Raising the exempt income from $660 to $750 for single persons, a paltry $90, is totally inadequate at a time of rising living costs. It is not only inadequate; it is a shameful condition.

The minister mentioned that this exemption was somewhat higher than in Great Britain, New Zealand, the United States or Australia. I have not time to go into these figures, but in the case of New Zealand he pointed out also that there was a national defence tax and a social security tax amounting to ten per cent. That would make the rate of taxation on the lower incomes pretty much the same. But I wish to point out that in the case of New Zealand—and I believe this is also the case in Australia and will be the case in regard to Great Britain—the whole of the social security tax goes back in benefits to the people. In New Zealand the social security fund is not based on actuarial considerations. The whole of it is paid out each year, and if it is not sufficient to meet the benefits provided the balance comes from consolidated revenue. Let me point out again that the whole of the 7½ per cent social security tax goes back to the people in free treatment in public hospitals; free treatment in mental hospitals; free treatment in maternity hospitals; free medical attention; free medical and surgical appliances; sickness benefits of £4 weekly if the husband is ill and £2 weekly if the wife is ill; unemployment benefits of £4 a week; universal superannuation at sixty-five years of age at £50 for man and wife without means test, which amount will increase by an additional £5 each year until it amounts to £4 weekly or £208 yearly, or, in the alternative, £4 weekly for life at the age of sixty years for man and wife, with a generous means test. It also includes permanent invalidity pension for the husband of £4 a week; permanent invalidity pension for the wife of £2 a week. If the husband dies the wife receives £2 a week. If both parents die the orphan children are entitled to receive up to 15s. 9d. each, and there are a number of other benefits in return for the social security tax. But over and above that, every family of four in New Zealand is guaranteed by the state that in all circumstances their yearly income will not be less than £260, less social security and national security taxes. That is an altogether different situation from what we have in Canada. A person who receives an exemption of $750—or of $1,500, as the case may be—will have to pay for nearly all these things which, in New Zealand, they get because of their tax.