defence of our way of life. I believe that an even greater effort is needed at the present time if we are going to move safely and successfully through the transition period that faces us at the moment.

The government has taken credit for the booming prosperity of the past. I would suggest that by the same token it must take responsibility for the difficulties through which we are passing at the present time.

Mr. Colin Cameron (Nanaimo): Mr. Speaker, it is with a certain amount of trepidation that one like myself, who has never had the slightest difficulty in counting money in his own possession, approaches the vast accumulation of money that was set forth in the budget speech. Without the slightest hesitancy the minister juggles these billions like a conjurer at a children's party. But if we are able to avoid having our eyes dazzled by these millions and billions, some things begin to emerge clearly out of the budget.

The first thing that emerges is that it is admirably designed to bring comfort to the comfortably off. During the last election campaign I had very great difficulty in convincing people in my audience that I was speaking the truth when I described to them what had been done by the government of Canada to protect the interests of a certain class of citizens—a privilege that was not accorded to the vast number of Canadians. When I attempted to show them that in certain circumstances a Canadian citizen with a wife and two children could draw an income of $10,000 a year without paying one cent of income tax, I was invariably challenged in all meetings and told it was ridiculous, that the government of Canada would never do any such thing, and that certainly the present Minister of Finance (Mr. Abbott) would never be guilty of such gross discrimination.

But, seeing that the protests that were made last session to the minister have been of no avail, I think perhaps it would be a good thing if once again the picture were placed on *Hansard* so that the people of Canada can see what the actual situation is. Now, this fortunate Canadian citizen with the wife and two children and an income of $10,000 a year is drawing his income from dividends of Canadian corporations.

An hon. Member: Like a member of parliament.

Mr. Cameron (Nanaimo): A member of parliament is in a privileged position, but not quite as privileged as these gentlemen to whom I am referring. The position of the member of parliament is not quite as good. The person whose situation I am describing has, in the first place, an exemption of $2,300 a year, leaving him with a taxable income of $7,700 a year. The tax on the first $6,000 of that income is $1,140, and the tax on the $1,700 is $442, making a tax of $1,582, plus a social security tax of $60, bringing the amount to $1,642. There is a surtax of four per cent on investment income over $2,400 amounting to $304, making a total of $1,946. This amount the fortunate gentleman would have to pay to the treasury of Canada, were it not for the fact that under the Income Tax Act there is a credit coming to him of twenty per cent of his dividends, or $2,000. So that he does not pay any income tax at all.

Now, if such married man with two children were unwise enough to work for his living, and smart enough to get $10,000 a year for doing it, he would be in a much less privileged position and would actually pay $1,642 a year. I am quite sure the Minister of Finance will tell us that this is to offset the gross injustice of those who have been taxed on dividends before. He will point out that unless we have this provision, these individuals are in effect taxed twice. That is to say, the company earnings are taxed before the distribution of the dividends is made.

When I read the defence of his position which he put on *Hansard* last year I wondered just in what way this fortunate shareholder of a company differed from a man who worked for that company. I wondered just what extra privileges he would be entitled to over the head of the man who works to make money which provides the taxes and dividends. I think there can be little doubt that this is a privilege that is given to a group of Canadian citizens over the heads of the vast majority of Canadian people.

That however is not the only evidence in this budget that it is, as I say, a budget admirably designed to promote the comfort of the comfortably off. We have, of course, the provision with regard to the two per cent personal income tax for old age security. Here again we have an odd situation. The tax is payable on the first $3,000 of taxable income, making a tax of $60 for any taxpayer. I suppose the philosophy behind this is that, by and large, the majority of those who are going to seek old age pensions in their old age will come from the lower income brackets. Therefore, with unerring justice, the Minister of Finance provides that such people should pay a larger proportion of their income toward this cost than do the more fortunate people in society. But it has created a curious situation. The man with the taxable income of $3,000 a year pays $60, and the man with a taxable income of $10,000, $15,000, $20,000 or $25,000 a year