

at the end of 1942 having been deducted at the source, the minister used the figure of fifty per cent for the delayed collection and the forgiven portion. Why did he not use 66 $\frac{2}{3}$  per cent? A clean sweep has not been made to deal with this matter for all time. There is imposed an unjustifiable hardship because the minister in his budget has pursued the policy which to my mind takes so much cash in settlement of a debt, to be paid in two instalments in 1943 for taxes accrued during the year 1942, and the taxpayer finds that he must liquidate this indebtedness and at the same time assume the full obligation for the prompt payment of the 1943 tax.

The intention of the Ruml plan, as I understand it, is that the 1942 balance of debt should be erased from the books of the government, should not be there, while in the case of the Ilsley plan we find that we have compromised the debt. I dissociate myself from the Ilsley plan for that particular reason. As an illustration I would cite the case of a married man, with one dependent, receiving a salary of \$3,000. In March, 1942, he paid an income tax amounting to \$170 and in the same year a defence tax of \$86. In the months of

September to December, 1942, he paid deductions amounting to \$105. In 1943 he will pay \$427, including the adjustment with respect to the 1942 tax of \$65, and in March, 1944, he will have a final payment of \$49 to make. In other words he will have paid an income tax in two years of \$788 and will still owe \$49 to be paid in the following March.

What I am trying to impress on the house is the fact that we have not made a clean sweep of this particular innovation in the matter of taxation. This income tax legislation is an added burden in the form of income tax upon those who draw from \$1,500 to \$5,000. It is a heavy burden to that class which is very often called the forgotten class. I have a short schedule showing the payments of those receiving salaries of from \$1,500 to \$5,000, and with the permission of the house I should like to place it on *Hansard*.

Mr. SPEAKER: With the consent of the house.

Some hon. MEMBERS: Carried.

Mr. HARRIS (Danforth): The statement follows:

## INCOME TAX—1943 BUDGET

	\$1,000			\$2,000		
	Single	Married	Married 2 dependents	Single	Married	Married 2 dependents
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
1942—Tax before Budget.....	152 00			600 80	430 80	214 80
1942—Tax after Budget.....	76 00			300 40	215 40	107 40
Payment that would have been due in September, 1943, in final liquidation of 1942 tax.....	0 35			60 11	43 41	21 44
Payment that will have to be made in June, 1943, in final liquidation of 1942 tax.....	4 19			57 95	41 69	15 88
	\$3,000			\$4,000		
1942—Tax before Budget.....	1,064 40	884 40	668 40	1,594 40	1,364 40	1,148 40
1942—Tax after Budget.....	532 20	442 20	334 20	797 20	682 20	574 20
Payment that would have been due in September, 1943, in final liquidation of 1942 tax.....	106 48	88 40	66 83	159 40	136 40	115 22
Payment that will have to be made in June, 1943, in final liquidation of 1942 tax.....	119 56	110 20	84 79	195 00	184 00	159 00
	\$5,000			\$6,000		
1942—Tax before Budget.....	2,128 00	1,878 00	1,662 00	2,685 00	2,415 00	2,199 00
1942—Tax after Budget.....	1,064 00	939 00	831 00	1,342 50	1,207 50	1,099 50
Payment that would have been due in September, 1943, in final liquidation of 1942 tax.....	212 75	187 82	166 24	269 00	242 00	220 00
Payment that will have to be made in June, 1943, in final liquidation of 1942 tax.....	270 03	264 49	239 08	350 00	350 00	324 00
	\$7,000			\$8,000		
1942—Tax before Budget.....	3,275 00	2,985 00	2,769 00	3,865 00	3,555 00	3,339 00
1942—Tax after Budget.....	1,637 50	1,492 50	1,384 50	1,932 50	1,777 50	1,669 50
Payment that would have been due in September, 1943, in final liquidation of 1942 tax.....	327 54	298 51	276 93	387 00	356 00	334 00
Payment that will have to be made in June, 1943, in final liquidation of 1942 tax.....	437 24	441 45	416 03	524 00	534 00	508 00

[Mr. J. H. Harris.]