

result from this change only slightly more than one-fifth would be for the benefit of those exempted from tax; the other four-fifths would go to existing taxpayers. Viewed in this light, the argument for increased exemptions takes on a somewhat different complexion.

I think the amount of money that we were at liberty to pass on as relief to the taxpayers of Canada was spent in the most equitable way. If we had increased the exemptions to \$1,000 and \$2,000, the benefits to a single man earning \$1,000 a year would have been exactly \$29, while the benefits to a man in the higher brackets of \$100,000 a year would have been \$200. I give that example to show where the money would have actually gone. It would not have gone for the relief of people in the lower brackets. This whole thing was planned to be of the greatest benefit to those who needed assistance.

I should like to refer briefly to another speech that was made by the hon. member for High Park (Mr. McMaster). The hon. member gave an interesting series of calculations in his speech. I say they are interesting because they represent an attempt to assess in brief space the amount of tax paid in total on family budgets at certain levels of income, a subject on which I am informed several large and studious books have been written. I feel I should point out to the hon. member that in his desire for conciseness he has probably overlooked the fact that the great staples of life which form the basis of every family budget—bread, milk, butter, eggs, flour, salt, fresh meats, fresh vegetables and fruits—are all completely exempt from sales tax. There again is an indication that, so far as this government is concerned, it has tried in every way possible to take the load off the people who need relief the most.

I am also informed, on the other hand, that he has considerably understated the amount of income tax reduction that will be received in a full year by married taxpayers under this income level. Such taxpayers, in place of the \$18,000,000 reduction mentioned by the hon. member, will, in fact, benefit in a full year by an amount of \$43,000,000, according to estimates which I believe are accurate. I would also point out that if account is taken of the family allowance, which as far as taxpayers are concerned may be regarded as in lieu of an income deduction under the income tax, then on balance the great majority of the taxpayers in the group mentioned are not paying a tax at all.

I should like to refer to an article which appeared in a reliable magazine called *World Report* and which gives an indication of the

taxes paid in Great Britain, the United States and Canada. A single man with an income of \$2,000, and with the new tax rate in effect, pays in Great Britain a tax of \$447; in the United States, \$249; in Canada, \$220. A married man with one child and an income of \$3,000 pays in Great Britain, \$603; in the United States, \$232; in Canada, \$230. A married man with two children and an income of \$10,000 pays in Great Britain, \$3,497; in the United States, \$1,810; in Canada, \$1,930. Here again is the place where the government has tried to take the load off the people in the low income brackets and put it on the people in the higher brackets.

Mr. GREEN: What is the date of that magazine?

Mr. MAYHEW: April 29, 1947.

Mr. NICHOLSON: Do those figures take into account the state taxes in the United States?

Mr. MAYHEW: No.

I should like to refer to a speech made by the hon. member for Northumberland (Mr. Drope). He made a four-minute speech. I refer to it because I cannot quite understand the reasoning of some of our hon. friends opposite. The hon. member asked that the four-cent postal rate be reduced to three cents; he asked for a subsidy on butter, a subsidy on cheese and for the removal of the two-cent tax on soft drinks. In all what he asked for in that four-minute speech, for that is about all it was, would have meant a reduction of \$63,000,000 odd in revenue. So I was quite pleased that he did not continue for the full forty minutes.

The hon. member for Dauphin (Mr. Zaplitny) this afternoon criticized the Minister of Finance for taking off price controls through the wartime prices and trade board. He would give one the impression that all controls had been lifted by the board. But I have here a long list of commodities which are still under control, several thousand of them, mostly foodstuffs, clothing, farm machinery of all kinds, meats of all kinds, sugar, butter and so forth which shows that the main staples of life are still under control. He also intimated that we were not paying any more subsidies. But if he will look at the estimates for this year he will find that we have some \$35,000,000 for subsidies and to pay for losses on bulk buying in the United States. The greater part of this amount will be used in the subsidizing of cotton and textiles.

I want to finish, Mr. Speaker, with a general word or two. Canada has one job that it