

respect to their earnings from investments. But I do wish to point out that, good and all as these people may be, there were only 212,000 persons in Canada who paid income tax in those brackets in 1946. Good and all as they may be, I think the hon. member for Muskoka-Ontario is giving them altogether too much credit when he says the future of this country depends mostly upon what he is pleased to call the great middle class, defined as those who are paying income tax on from \$3,000 to \$7,500.

If I were going to select a middle class for this country I would select a much larger group than that, and I would classify as the great middle class those who pay income tax on incomes below \$3,000. How many do we find in that group? They number 2,299,875 taxpayers, or over two and a quarter million of the people of this country. Only a little more than 200,000 pay income tax on incomes over \$3,000.

Some people may think that that is a rather bad situation to have in a country; but I am not at all sure of that. I venture to say it would be difficult to find any other country in the world where such a large proportion of the population is in the income group of from \$1,500 to \$3,000. They are the great masses of the people in this country. Those are the people upon whom almost any country must depend for the development of its resources. I repeat that I doubt if there is any other country in the world which could show a better record.

Certainly it does not bear out the contention of our friends of the C.C.F. party who have been contending in season and out of season that this is a country of millionaires, men who have made great fortunes at the expense of the rest of us, and that therefore any government formed in this country should be formed for the purpose of getting rid of those individuals. May I say again that only between twenty and twenty-five of them are in the group who have incomes of \$200,000 or more, and only 109 of them in the group having incomes of more than \$100,000. And if we have had government in this country—not always by a Liberal party, but always by either the Liberal or the Conservative party—which has been able to create a condition of that kind, then I am not one of those who will trade it for some new "ism" I know nothing about and particularly for anything which my hon. friends of the C.C.F. have to offer.

There is one thing upon which the two groups opposite have got close together. The Conservatives and the C.C.F.'ers have got together in one line of criticism when they have said that on one day the government

took off 29 per cent in taxes, and the next day replaced it with a ten-cent increase in butter. There has been some fancy figuring in regard to this matter, which was first introduced into the discussion by the hon. member for Muskoka-Ontario. He thought that the fact that butter is higher in price now than it was in 1926-29 is a fact to which attention should be called. He went to the trouble of pointing out that butter had gone down to 27 cents in August of 1939. I believe he made a slip of the tongue in that statement; it was 21 cents in August, and 27 cents in October of that year. The hon. member went to considerable trouble to point out that butter was selling at a very low price in the summer of 1939, and that it had averaged only 44 cents back in 1926-29. He raised the question in the minds of hon. members as to whether 48 cents or 50 cents a pound might not be too high a price for butter in Canada at the present time.

I was not so much surprised to hear that argument from the hon. member from Muskoka-Ontario; but when I heard the same argument in greater detail and used more effectively by the hon. member for Cape Breton South (Mr. Gillis) I was surprised indeed. The hon. member went to the trouble to figure out that an individual saved 19 cents from his reduced taxation during a certain period of time, and that during the same period he would pay an extra 23 cents for butter for his family, and he drew the conclusion that the man was four cents worse off.

Had it stopped with the hon. member for Cape Breton South, I should not have been greatly surprised—because, after all, he comes from a mining area, and may have been speaking more particularly for those who buy but do not make butter. But when the hon. member for Qu'Appelle (Mrs. Strum) rose in the house and followed the same argument, but to even greater lengths, I was somewhat surprised. Coming as I do from a constituency which is just across the river—

Mr. ROSS (Souris): They don't milk cows in Saskatchewan now.

Mr. GARDINER: My hon. friend has never been in Saskatchewan or he would know they do milk cows; and he would know, too, that they would have to go without butter in some parts of Canada if the people in Saskatchewan did not milk cows.

The hon. member for Qu'Appelle stated this, as reported at page 2933 of *Hansard*:

The great majority of our families fall below \$1,500 a year. Not only does this man lose out on his milk, but he loses out on his butter and shoes which are now out from under the ceiling—