

senate have made to this bill are acceptable to the government? In addition perhaps he might explain the change of date, which I notice in various places, and which corrects or alters the date the government originally proposed.

Mr. GIBSON (Hamilton West): When the bill was first introduced it was to provide extension of time for the taking of certain actions required by the Patent Act. The bill has not passed as rapidly as had been hoped when it was first introduced, with the result that it is now necessary to extend the dates. The amendments provide the full time which it is believed should be given to the holders of patents. The government is prepared to accept the amendments.

Motion agreed to; amendments read the second time and concurred in.

### THE BUDGET

#### DEBATE ON ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Thursday, May 8, consideration of the motion of Hon. Douglas Abbott (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Macdonnell (Muskoka-Ontario), and the amendment to the amendment of Mr. Coldwell.

Hon. J. J. McCANN (Minister of National Revenue): Mr. Speaker, my sole purpose in taking part in this budget debate this afternoon is to refute and correct some extravagant and inaccurate statements made in connection with departmental expenditures, statements made by the hon. member for Peterborough West (Mr. Fraser) during the debate on May 6, and to answer a charge made by the hon. member for Dufferin-Simcoe (Mr. Rowe) when he spoke in this debate on May 7. However, before dealing with these two specific subjects I wish to make a few general observations on the budget as I see it, and as have been conveyed to me by my constituents since the budget was delivered.

It may well be said that "Solomon in all his wisdom" could not fashion a budget that would please everyone. In times like these it is difficult for governments in framing taxation policy to be both popular and wise. The government and the Minister of Finance, I submit, deserve to be congratulated on both counts.

This budget has been acclaimed as a popular budget, and the government has shown courage and statesmanship in the policy which it has pursued. The general reaction to the

[Mr. Graydon.]

budget has been favourable if one can take as a criterion the press comments and public conversation which one hears from day to day. It is true that there have been a few blasts of criticism in the house from the opposition. In the main they have been ineffectual and they have only helped to confirm in the public mind the merits of the proposals put forth by the government.

Interest in this budget centres of course upon the changes in taxation. This budget gives nine out of every ten taxpayers a 29 per cent reduction in income tax. Indeed, a great number get much more than that, up to as high as 54 per cent in the lowest brackets, and all told \$110 million has been lopped off the collective income tax payments. As compared with the previous rates of 1942, the new rates announced represent an over-all reduction of 51 per cent in the total personal income tax burden of the Canadian people.

Tax relief has been given where tax relief was most needed, to the earners of wages or of medium salaries. I think it can be safely said that our middle class population and people on fixed salaries benefited less from war conditions and suffered more from war taxes than any other class. The budget is framed to ease the burden on those in this income category, which includes young professional and scientific men.

Relief too, and often more substantial relief, has gone to the wage earner. Under the budget of last year 550,000 workers and recipients of small incomes were absolved from taxes. That was brought about by raising the income tax exemption of \$750 for single people and \$1,500 for married people, which was made applicable from January 1.

An hon. MEMBER: What did you do about them this year?

Mr. McCANN: I will tell you if you listen. Just be patient. There have been no further changes in exemptions, but under the present proposed reductions a married man with two children who earns \$1,800 a year will pay this year only \$16. Surely this cannot be considered unreasonable. In a great many instances the amounts of reduction have been equivalent to a ten cent per hour rise in wages.

The opposition have been urging the raising of income tax exemptions. It is very evident that they have followed this policy with an eye purely to the political rather than to economic consequences. It is true that there have been no immediate gifts for business. The excess profits tax remains for the present but will go at the end of the calendar year. The corporation tax remains at 30 per