

solely on farmers' returns for Manitoba while there are only two in the city of Toronto working on farmers' returns for Ontario. If that is true I submit that the farmers of western Canada should be given exactly the same treatment as the farmers in other provinces. I am not suggesting that the Minister of National Revenue should chase the farmers of Ontario or Quebec; all I am suggesting is that these fears should be cleared up, so that the farmers of western Canada may know whether or not they are being discriminated against in the collection of income taxes. I call upon the Minister of National Revenue to tell this house frankly how many income tax assessors are working out of each income tax division and directing their full-time efforts toward a review of farmers' returns. I maintain that that is something to which this house and the farmers of this country are entitled.

There are some features about the budget that one might like. I do not think the hon. member for Restigouche-Madawaska (Mr. Michaud) is fair when he says that we on this side do not like the income tax deductions. Does he think we are fools or we are less than human? That was a childish statement which should not have been made by a man of mature years. As far as I am concerned, there are five or six objections to the budget. In the first place, I maintain that the Minister of Finance should have increased the exemptions. Had that been done, the measure of relief would have been more in keeping with what the people are entitled to.

I read what the minister said and I heard him deliver his budget speech. It was his first budget and it was the first one I heard, so that we started out together. However, on reading and re-reading what he said I cannot follow the logic of his argument. I still maintain that the proper and better method of providing relief to the people of this country would have been to raise the exemptions. The figures I suggest are \$1,000 for single people and \$2,000 for married people. People earning less than that should have been set aside and not taxed in any shape or form. It should have been a true exemption; it should have been set aside, regardless of the amount earned. We would then have the position where people who did not earn over \$2,000 would not be taxable. The people in the middle income brackets would have had some relief through the raising of the exemptions, relief to which they were entitled.

Mr. ABBOTT: You would have had to tax them in another way; that is the only difference.

Mr. MILLER: I cannot see that argument.
[Mr. Miller.]

Mr. ABBOTT: There are not enough people earning \$2,000 a year and up.

Mr. MILLER: We would suggest, perhaps in an amateurish way, that some of the seventeen departments which are showing increased expenditures should show decreases. There is one matter of local interest to me, the taxation of electrical energy. That was a wartime tax which was necessary, but from its inception it has been collected unfairly. The tax is a percentage of the electric light bill. In Manitoba, to which I should perhaps confine myself, there is Portage la Prairie, from which I come; there is the city of Brandon, not far from us, and there is the city of Winnipeg. Winnipeg has a cheap electric power rate. While the rates charged in Portage la Prairie may not be large, they are much larger than those charged in Winnipeg. As I say, these electric light bills are taxed on a percentage basis. In the city of Winnipeg the same number of kilowatt hours would bring a bill of roughly \$4, as compared with \$10 in the city of Portage la Prairie. We both pay a percentage, and I say that is unjust. I maintain that the tax, if it is left at all, should be on the basis of the kilowatt hours used, and not on the basis of the amount of money set out on the electric light bill. As a matter of fact, I believe the tax is unfair, anyway, and it should have been brushed off the map altogether.

I am going to join with those who said that the tax on chocolate bars and soft drinks should have been taken off. All of us have received letters from these organizations. It is quite obvious that was not a spontaneous effort on the part of the young people themselves. Nevertheless I believe their contentions have great merit. In my own city of Portage la Prairie we have a small soft drink company which employs quite a few people of whom all, I believe, are returned men and women. That industry, if nickel drinks were restored to the market, could enlarge and hire extra people.

Mr. ABBOTT: It could not get any more sugar, though.

Mr. MILLER: The sugar situation could be handled, because I do not think it is a factor, not in the soda-water business. I believe, if the price were returned to a nickel, there would be an expansion, because the whole industry has been built up on the nickel drink. The tax brings in only something like \$20 million or \$22 million. I believe the highest amount ever taken in was \$22 million.

Mr. ABBOTT: That is a lot of money.