

*Income War Tax Act*

\$3,000 a year would be paying \$240 in life insurance, whereupon he would not be paying the sum of money which the hon. member for Parry Sound mentioned. Again, in the case of the married man, he would not pay the sum of money mentioned, \$884, but \$584. The hon. member made no remark about that at all. Obviously, as it seemed to me once I began to think, he was relying on the thoughtlessness of those to whom he was speaking, or possibly relying—I hope this is not true—on the thoughtlessness of people outside this house to whom the doctrine would be retailed.

Take the case of the married man with or without two children. It is altogether probable that a man on a \$3,000 salary is putting away by mortgage payments on his home, or by premiums on insurance policies, the sum of \$25 a month, and he is therefore not paying the amount of taxation which has been mentioned, namely, \$884, but he is probably paying a tax of \$584. The same remarks apply to the married man with two children, with the exception that the figures are a little different. In his case the actual tax would be \$668 gross; \$334 is taxation, and \$334 of it is savings, and if he has that amount of insurance premium or mortgage payments he will not have that taken from him by the government. This means that the man does not have to keep his wife on \$180; it means that he keeps his wife and himself on \$2,116. If he is already saving \$240 he keeps himself and his wife on \$2,176. He does not keep his wife on \$180, as the hon. member suggested, and I do not know whether he had in mind any particular wife or particular man who would do that. He might, of course, have had his reasoning warped regarding some particular individual, but I can assure him that the generality of men who have \$2,176 and a wife, use the \$2,176 to support themselves with their wives—their wives with themselves—and they do not allow \$180 for the wife and gobble up all the rest of the money, roughly \$2,000 for themselves. I am sure the hon. member himself, if he were to find any man attempting to treat his wife in that fashion, would be the first to rush forward to support that wife in an application to the courts that she be given decent alimony. I am sure that if he were to support her in her claim for alimony she would get it in any court, and no court would say that the Minister of Finance had laid it down on behalf of the Canadian government that \$180 was enough for a wife.

My only purpose in drawing particular attention to this sort of thing is this. I felt that when the member for Parry Sound goes as far astray as that himself, and endeavours

[Mr. Maybank.]

to lead all the rest of us equally astray on a matter of this sort, it indicates clearly, if he believes what he was saying, that he has what I might term an economic short-sightedness which completely disqualifies him for giving any evidence at all upon any economic question. Any man who, after reading the income tax resolutions that are before us and hearing the speeches, will come to the conclusion and pronounce the doctrine that they spell \$180 to keep the wife of a man who has \$3,000 a year, is obviously, in an economic sense, myopic. There can be no doubt about it. That of itself seems sufficient to wash out any argument that came after what the hon. member for Parry Sound said in that regard. I think the minister made it quite clear last night that the proposals which the hon. member made are inflationary. You have the hon. member saying that they are not. You can look at the other judgments of the hon. member and estimate him as an economic expert in the light of the sort of discussion that I have detailed to-night, and take your choice between him and the Minister of Finance as to whether the scheme that he proposes is inflationary. I am convinced that it is.

The hon. member was relying a very great deal upon our control system. I confess that I had some doubts as to whether we could control prices in this country, even before I heard the testimony, given later, of the Minister of Finance. I have always had difficulty in believing that we can, over a long time, hold down prices by any form of control. I fancy we shall be able to do it for about as long as this war lasts. Of course I do not know how long the war will last, but I do not believe you could hold down prices by a control system for a ten-year period. We may succeed in holding them down fairly well during the war only because there is a war, for if it were not for the war we would not submit to these controls; no democratic people would. But I call attention to Italy with all its control. They have a great deal more control in these totalitarian countries than we have. They do not have all the bother of parliament and that sort of thing. They do not have any expressions of opinion, which are always bothersome to any government. We have not got them blockaded as well as we would like. I have some figures before me—I can give authority to anyone who wants it—showing some of the difficulty Italy is experiencing. The price index of some goods purchased by the farmer is in my hand. It would appear that the farmer in Italy has to purchase a great deal of fertilizer and insecticides. The prices for 1929 apparently are taken as the base. Last year the index figure