

The Budget—Mr. Argue

Mr. ARGUE: Yes; May 15, 1945. I should like to read these words:

Jobs! Jobs with bright futures for the young men and women coming out of the armed services with the best part of their lives before them!

And then, in the official publication of the Department of Veterans Affairs, under date of June 15, 1946, we find that at the end of May, 1946, there were 43,336 veterans obtaining out-of-work benefits. Does that look like jobs for veterans, jobs with bright futures? Does that look like jobs with good reliable money?

Mr. MACKENZIE: Are you opposed to it?

Mr. ARGUE: With that many out of work—

Mr. MACKENZIE: Are you opposed to it?

Mr. ARGUE: I am opposed to a party making a pledge before an election and then failing to live up to it. I am not opposed to benefits for those who have not jobs. The benefits are not much; they are second best. But a slice of bread is better than no bread at all.

Mr. MACKENZIE: You are against it.

Mr. ARGUE: I am not against it.

Mr. MACKENZIE: You seem to be.

Mr. ARGUE: I don't seem to be.

Mr. CASTLEDEN: How about your promise?

Mr. MACKENZIE: You can't have it both ways, either.

Mr. ARGUE: If the Minister of Veterans Affairs will say that there are good jobs, then I assure him that the boys will not any longer want these niggardly out-of-work benefits.

Mr. MACKENZIE: I can tell my hon. friend that I have done more for the veterans than he has ever done.

An hon. MEMBER: Give it to him; you have got him going.

Mr. ARGUE: Another thing we should attempt to do is to find out if there is to be greater prosperity in Canada in the future, and if so, we should attempt to see what the income tax exemptions for 1947 will do for the people who will receive the benefit of them. In 1946 a single man earning \$1,250 paid \$140 tax. In 1947 a single man earning \$1,250 will pay \$118 tax. He will be given tax relief in 1947 to the extent of \$22 in excess of what he received in 1946. A married man in 1946 earning \$2,000 a year pays \$194 tax, while in 1947 he will pay \$118, or will have a reduction of \$76 in taxation.

[Mr. Castleden.]

Many statements have been made that we are witnessing to-day an increase in the cost of living. We know that there is a certain amount of inflation in Canada and that the prices of many articles are increasing by leaps and bounds. The cost of living index published by the bureau of statistics in April, 1945, was 119 and in April, 1946, 121, an increase of two points. The homemakers' association, as recorded in the *Toronto Star* of April 9, found that in six years the cost of feeding a family had increased by fifty per cent.

I am not attempting to argue that there will be all-out inflation in Canada. What I am attempting to do is to have hon. members agree that there is a certain amount of inflation, and that there will be inflation next year. Some of us might be reasonably well satisfied if the cost of living next year did not increase by more than ten per cent. I do not know if that would be considered a reasonable figure, but some of us might think it was not too bad. Others might think that if it increased only five per cent a good job was being done. I believe most will agree that if it increased four per cent, that is the least that could be expected. If the cost of living increases four per cent in 1947 over what it is now, then four per cent of a married man's income of \$2,000 will amount to \$80, and that \$80 in fact will buy him nothing, because of the decreasing value of money. So that if the cost of living increases on the average four per cent in 1947 the small tax relief of \$76 that is being given for 1947 will be in effect entirely wiped out.

If the cost of living increases two per cent a single man earning \$1,250 will have to use \$25 of his income to make up for the increase in prices. His tax relief for 1947 will be \$22. So that if the cost of living increases in 1947 by two per cent, the very small tax relief given to a single man, earning \$1,250 will in effect, by another means, be taken away from him.

If we look to see how the exemptions will benefit the taxpayer within the next twelve months we find that if there is a two per cent rise in the cost of living it will cost a single man earning \$1,250 some \$25 to make up for the additional increase in the cost of living. But his tax relief within the next twelve months will be only \$11. So that in effective purchasing power within the next twelve months, if the cost of living goes up by two per cent, he will be \$14 worse off than he was before.

The Minister of Finance is, with one hand, granting some small amount of tax relief to income earners, but because the government is not successful in maintaining rigid price control he is in effect taking away that small