

had an annual income of \$6,500. The temporal lords, of whom there were 160, had an annual income of \$16,000.

Mr. BROOKS: What does it all add up to?

Mr. MACKENZIE: What year was this?

Mr. NICHOLSON: This was back in the period in which the hon. member for Muskoka-Ontario would like to live, the good old days when we had some incentive, something to work for.

Mr. ROSS (St. Paul's): May I interject that those were the days when there was a socialist government in England.

Mr. NICHOLSON: I should like to bring to the attention of the Minister of Finance some information which is contained in the national accounts income and expenditure 1938-1945. I am sorry the hon. member for Muskoka-Ontario is not in his seat at the moment.

Mr. BROOKS: He is not missing anything.

Mr. NICHOLSON: It gives a pattern which has a remarkable similarity to what I have just given. On page 33 a table appears entitled "Estimated distribution of all income recipients in the armed services and non-agricultural occupations by income classes, Canada, 1942". This table gives the income classes from \$0 to \$250, from \$250 to \$500, from \$500 to \$750. The next page gives the estimated distribution of aggregate income in the armed services and non-agricultural occupations by income classes, Canada, 1942. I should like the house to follow me in a simplification of these two tables, where I indicate how we distribute the national income in Canada. It is rather hard to interpret this in terms of the incomes of individuals, but if we take 1,000 we shall, I think, accomplish our object. The table indicates that over four million people were taken into account in this compilation, but I shall use the figure 1,000. The table will then read as follows:

No. of persons	Basis=1,000	Average annual income
84	.....	\$142
100	.....	376
138	.....	652
127	.....	874
112	.....	1,125
118	.....	1,373
93	.....	1,624
67	.....	1,866
79	.....	2,215
34	.....	2,706
33	.....	3,697
11	.....	6,909
3	.....	16,667
1	.....	32,000

I should like hon. members to picture a thousand people living in one community in Canada, having in that community eighty-four families each with an annual income of only \$142, in the year 1942, and with one family having an income of \$32,000. If you distributed your national income according to that pattern and had the thousand people living in one community you would certainly have trouble. It appears, however, that when you have the people in the top brackets in Montreal or Toronto or Winnipeg and the people in the lower brackets in Glace Bay, Hudson Bay Junction and Humboldt, where they are not familiar with the way the wheels go round, then this condition is tolerated. I was talking the other day to a friend who is an importer of British woollens, who is selling high-priced materials here in Ottawa. He said he went into one of the stores in this city, and was afraid the high prices that must be paid for these superior goods would frighten the storekeeper. The merchant said, however, "Oh, that doesn't mean anything these days. We are selling men's pyjamas at \$75 a suit." I do not suppose they are selling very many of them, but apparently we still have an income tax structure that leaves a few people in the highest brackets with sufficient to spend on that scale.

The minister has made some revisions in the rates, and again I have simplified the results so that I personally may be able to understand a little better just what the position is. Again for this purpose, as for the other table I mentioned, I have taken a year as 300 days rather than 365, in order to simplify the calculations. There will be nothing allowed for Sundays and a couple of weeks' holidays, but on the basis of 300 days a year this table shows the annual income of various groups, the daily rate remaining after payment of tax, and the increase that will result from the tax revisions:

Gross Income	Single Persons		Increase
	Yearly	Daily	
\$ 700	\$ 700	\$ 2 33	·03
1,000	945	3 15	·08
2,000	1,687	5 62	·19
3,000	2,407	8 02	·33
5,000	3,794	12 65	·82
10,000	6,962	23 21	1·95
20,000	12,100	40 33	4·54
30,000	16,600	55 20	6·71
50,000	23,909	79 70	10·77
75,000	31,485	104 95	14·80
100,000	37,984	126 61	18·22
200,000	56,559	188 53	21·12