

month of May are much the same; this year dividends were 7.3 per cent higher than in May of last year. But though big business is not maintaining full employment in Canada; though this year it is making higher profits than last year, in his budget proposals the Minister of Finance is saying to the corporations, "Next year you can make more profits. You shall have your corporation tax reduced by 20 per cent." Then the corporations can afford to produce even less, because they will have a larger margin of profit. So that every time the corporations are given tax relief they find it possible to withhold goods from the market, and they do so, in order to make extremely high profits.

As I said at the outset, the minister stated over and over again that we are enjoying a large measure of prosperity in Canada at the present time. Figures coming from the Department of National Revenue show that the average income in Canada in 1945 was \$25 less than in 1944. More than that, in 1945 there were 85,000 fewer people in Canada who earned sufficient money to get into the very low income tax brackets. Of those in the bracket from \$660 to \$1,000 a year there were 40,000 more in 1945 than in 1946. The labour force in Canada is something like 5,000,000. In 1945, of the 5,000,000 labour force, 2,365,000 were paying income tax. Thus over 2,600,000 of the 5,000,000 in the labour force of Canada had not earned sufficient income to get into the very low income tax brackets which, for a single man, is \$660 and, for a married man, \$1,200 a year.

The minister stated, too, that in the niggardly increase in the amount of income allowed before taxation took place, namely between \$660 and \$750 for single men and between \$1,200 and \$1,500 for married men, there were 600,000 taxpayers. That is 600,000 in the lower income tax brackets. Add to that the 2,600,000 who were not in the income tax brackets at all because they had not earned sufficient income, and we find in Canada 3,200,000 Canadians out of 5,000,000, or more than sixty per cent, who had not earned sufficient income to get into the very low income tax brackets.

Surely, then, the minister was not right in saying:

We find Canada to-day more prosperous and further along the road of reemployment and reconversion than we could reasonably have expected last autumn when I presented the previous budget.

Surely, if a test of the way we are getting along the road to reemployment and reconversion is to say that there are over sixty per cent of the labour force in Canada earning

less than the very small amount which will get them into the income tax bracket, then in effect we have anything but prosperity in Canada. We have a continuation of poverty for the many and plenty for the few.

The Minister of National Defence pointed out, most ably, that the Conservative party was not living up to its election promises. I noticed when he was reading their proposals that, as he said, they sounded like a real, socialist election manifesto. Consequently one could hardly expect the Progressive Conservative party to live up to a socialist election manifesto. What surprised us most was that they had wisdom enough to draft it, and that the people of Canada had even more wisdom and to a great extent refused to vote Conservative.

I do not think the record of the Liberal government, so far as keeping promises made before the election is concerned, is any better than that of the Progressive Conservative party. I have here some quotations from the *Glace Bay Gazette* of May 22, 1946. I have from another magazine quotations which are similar, almost word for word. Under date of June 2, 1945, a message to Canadian labour entitled, "The Liberal party is the workers' party" states this:

Liberal aim: Jobs for 900,000 more workers than in 1939, 60,000 more each year as the population grows. Every kind of enterprise will be encouraged. The Liberal government has already set up machinery of the Department of Reconstruction. The Liberal government has the man, the Hon. C. D. Howe.

With the last sentence I cannot quarrel. It seems to me that if the government were maintaining its pre-election pledge there would be 900,000 more jobs, and the Minister of Finance would not have to say to the house that there are to-day 200,000 unemployed in Canada.

Another article sent out on May 15, 1945, entitled, "Liberal policy will create post-war opportunities for all", states:

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. Jobs for all! Jobs with big prospects and good reliable money that will keep its buying power! After all the hard work, sacrifice and self-discipline which has brought us through the war, the people of this country have earned a brighter future in a better, juster, grander Canada than we have ever known!

That extravagant English sounds like the Minister of Veterans Affairs (Mr. Mackenzie).

Mr. CASTLEDEN: Is that a pre-election promise?