

risen about five points. The rise in the first year of peace is about the same as the increase which occurred from the time the price ceiling was started in October, 1941, to the end of the war.

The success which we have had in Canada has been based on widespread and intelligent public support and on the good sense of our citizens, both as consumers and as producers. We must preserve that understanding and cooperation if we are to maintain orderly economic conditions while production expands and gradually overcomes the wide-spread shortages.

Production then is the key-note to our economy in this transition period. Anything which acts as a stimulus to production will help to provide more jobs, a higher standard of living, and will result in the orderly relaxation and removal of the remaining controls.

In this transition period, tax reduction has given a greater incentive to work and to produce, as well as a welcome relief from the burden of war taxation. Taxes were reduced this year and are going to be further reduced at the beginning of next year.

After January 1, 1947, single persons will not pay any tax on incomes of less than \$750. Married persons will not pay any tax on incomes of less than \$1500. If they have dependents, the exemption is still higher. This will mean that more than half a million taxpayers, or about one-quarter of the present number, will not pay any income tax for the year 1947.

The percentage