

Mr. HOMUTH: That is rather doubtful. The next election will show that.

Mr. KNOWLES: —which is what counts and which my hon. friend's party would not offer to the people of this country. I was surprised at the suggestion of the hon. member for Rosedale (Mr. Jackman) that there should be a wider use of the sales tax. That was the most striking Tory suggestion. After all, the sales tax does not impinge according to ability to pay at all. It takes from the low-paid man just as much on what he buys as it takes from the rich. So I suggest that, bad as this budget is, it could have been worse if—

An hon. MEMBER: If you had been in power.

Mr. KNOWLES: —if the minister had taken advice from my hon. friends of the Tory party. The fact is that the bankruptcy of both the old parties in this house is evident. They talk in terms of leadership of the country and of the great future we must have on the basis of what we have done in the past. But budgets of the kind the minister has presented, and suggestions such as those of my hon. friends to the right, simply indicate to the people of this country that there is no hope either way.

An hon. MEMBER: Your way is a dictatorship.

Mr. KNOWLES: Nonsense. I am not one of those who stand here and glibly say that that means that overnight the people of Canada are going to turn to this party.

Mr. HOMUTH: Oh, no; never, never.

Mr. ROSS (Souris): You will not live long enough to see it.

Mr. KNOWLES: But, Mr. Speaker, my hon. friends of both the old parties—whistling as they are to keep up their courage—know that, step by step, the realization is dawning in the minds of the Canadian people that their only hope lies in their taking control of things themselves, in the full meaning of democracy.

An hon. MEMBER: The very thing that wrecked Europe.

Mr. KNOWLES: More nonsense.

Mr. ILSLEY: Perhaps this is not a relevant question. Would my hon. friend express an opinion as to whether this budget is not a more liberal budget in the broad sense of the term—with a small "l" so that we will not raise any argument—than the budget in Great Britain, with a \$490 exemption and an abolition of the excess profits tax?

Mr. KNOWLES: No, I do not agree that it is a more liberal budget.

Mr. ILSLEY: And no distinction between cooperatives and other corporations in the matter of taxation.

Mr. KNOWLES: I am not sure that the minister is correct about the latter, but I will not argue the point.

Mr. ILSLEY: Then leave that out, but consider the other two. I ask my hon. friend, when he is denouncing this budget, if he does not think it is a more liberal budget, in the broad sense of the word "liberal", than is theirs?

Mr. KNOWLES: Keep the "l" small, and it is a fair question.

An hon. MEMBER: They nationalized the banking system.

Mr. ILSLEY: Someone speaks of the nationalization of the bank. We nationalized ours nearly ten years ago.

Mr. KNOWLES: The budget has to be taken in the total context of the nation's economy, and in the total context of the economy of the United Kingdom there are provisions for social security from the cradle to the grave which are now in effect and the beginnings of a programme of nationalization—

Mr. HOMUTH: Socialization.

Mr. KNOWLES: Yes, socialization.

Mr. HOMUTH: At last you have admitted it. You have been denying it for years.

Mr. KNOWLES: I came into this party years ago because I was a socialist. That is why I am here to-day.

Mr. HOMUTH: You got into the right crowd, though you have been denying it for years.

Mr. KNOWLES: And that programme of socialization to which I have referred is one which affords a future of hope to the people of the United Kingdom.

Mr. ILSLEY: You think there is no hope here?

Mr. KNOWLES: Not as much as there is over there; not yet, at any rate. As a matter of fact, a good many young Canadians are going back to England, for despite the severity of conditions—

Mr. HOMUTH: And a lot of Englishmen would like to come out here.

Mr. KNOWLES: —they have found the atmosphere over there so acceptable; and, after all, that is what counts—the total picture. And so, Mr. Speaker—