

needs the revenue now to meet the commitments of the government and to prevent inflation, then I make the suggestion that he should have met the demands of the people for exemptions on incomes of married people up to \$2,000 and of single persons up to \$1,200 by the issuance of tax bonds representing the amount of the tax in excess of the exemptions announced by the minister and up to the exemptions demanded by the people. I would suggest that these tax bonds could very well have been made redeemable a year hence, when the floodgates of production are once more wide open, and the supply of consumer goods is adequate to prevent inflation. It would be only fair and just to do something of this kind for people in the lower income groups. Hundreds of thousands of them have not been able to replenish their clothing supply or their household furnishings during the war. High taxes and high prices have prevented it. Hundreds of thousands of them knew nothing but poverty for years before the war started, in the years just prior to the war, and from present indications these same unfortunate people will be unable to replenish their deferred needs for many years to come, if at all. Therefore I feel that the minister should have given them a chance to enjoy at least a little of the prosperity that other groups have known at various times in past years, by raising the effective exemption to the figures which I have already mentioned; and they should have been made to apply from July 1, 1946, not as from January 1, 1947. I am certain that had he followed the principle of tax bonds to make up the difference in the two exemptions, and had the exemptions applied as from now, there would have been many thousands more satisfied people in our country, and it would not have hurt the government one particle. I would suggest—and with emphasis—that it is not yet too late to make the concession, and perhaps to retrieve in some measure the good will of many Canadians.

I am not convinced that the departments of the government have made anything like an effective transition from wartime to peacetime spending. It is my judgment that considerable savings are yet possible, savings that could result in a lowering of the tax load on the people. Time will permit me to mention but one specific case among possibly hundreds of foolish or needless expenditures by various departments. One could name such things as needlessly overloaded staffs in some branches, notably defence and others. The case I wish to mention particularly is publicity. There is ample evidence to show pure unadulterated waste of the taxpayer's money, running into very large amounts, on foolish publicity.

[Mr. Low.]

Let me give just one example. Recently the Department of Trade and Commerce sponsored a series of advertisements in newspapers and magazines on the theme, "one-third of your dollar", which attempted to show the proportion of the national income conservatively estimated as earned, directly or indirectly, by export trade. The series is to cost about \$22,000. That is almost a complete waste of money, and is almost as stupidly foolish as spending money to crash mosquito planes and to bring Hollywood movie stars to Canada to sell bonds to a people already having a full sense of their responsibilities.

The Department of Trade and Commerce could have better spent their money in an effort to awaken interest amongst Canadian manufacturers and business men in expanding imports. J. B. Carswell, former president of War Assets Corporation, and now a business consultant in Washington told a Canadian Manufacturers Association meeting about a month ago that the theory of exports exceeding imports, creating a favourable trade balance was outdated; under present circumstances, he said, it is a most unfavourable theory. He emphasized the need of a sharply awakened interest in the necessity of balancing exports with imports. I suggest that not only is the expenditure of \$22,000 for the series of "one-third of your dollar" advertisements a wasteful thing, but it also attempts to indoctrinate Canadian people with at best a half-truth. Close examination of other publicity expenditures of the government would doubtless yield a good many other extravagances of a wasteful nature.

The whole tone of the budget speech seemed to imply that the minister is not at all hopeful that a high level of taxes is avoidable for years to come. With this I can thoroughly agree unless something jars the government loose from the money monopoly system they have persisted in following in public finance. Debt, high taxes, poverty, money control in scarcity, are all parts of the money monopoly racket. They are all parts of what appears to be a widely organized conspiracy to grind down to abject subservience the individuals who make up the ordinary people of any country.

The military war is over, but huge debts and high taxes remain with us as reminders of man's stupidity. It is becoming clear that our mounting national debt can never be paid by taxes alone. Therefore, if the people are ever to become free, some new financial technique will have to be applied. The starting point of that new technique should be an abrupt end to the pyramiding of debt, for debt is the main reason for high taxation.