

*The Budget—Mr. Argue*

Mr. ILSLEY: Would you place everybody on an equal per capita basis?

Mr. ARGUE: No, I would not, but that would be better in my opinion than the method now proposed, because I do not think British Columbia is likely to have the same expenditures in providing social services that some of the other provinces will have.

Mr. MACKENZIE: They have the highest standard in Canada.

Mr. ARGUE: I am talking of the cost of providing the social services, not what social services they have. For example, in British Columbia approximately 394,500 people live in towns of over 5,000, and this out of a total population, according to the 1941 census, of some 817,800. In other words, in British Columbia about forty-eight per cent of the people live in towns of over 5,000. I am sure that even the Minister of Veterans Affairs (Mr. Mackenzie) will admit that it costs more money to provide social services in the rural areas where people are widely dispersed than it does to provide the same services in towns of over 5,000.

In Saskatchewan there are 147,000 people living in towns of over 5,000 out of a total population of some 895,000, or about seventeen per cent. The number of people in Ontario who live in centres of over 5,000 is more than half the total population. Surely it cannot be said that proposals are based on fiscal needs when in certain provinces the cost of providing social services is more per capita because the population is widely dispersed.

I do not think it can be said that the proposals are based on fiscal needs because, if widespread drought occurs in the west, the provincial governments of Alberta and Saskatchewan, and to a lesser extent Manitoba, will be almost bankrupt. If we experience a period of low prices for our primary products the people on the prairies will not have sufficient income to provide a taxation base by which the provinces will be able to furnish the social services they may wish to provide. I do not think any effective argument can be made that these proposals are in any way based on fiscal needs. Before there can be continuous social services we must protect the primary producer against drought and low prices, and protection also must be provided to see that unemployment does not recur.

In conclusion, I contend that the Minister of Finance has based his statement that there is prosperity to-day in Canada on three weak and breaking props. There is no prosperity in Canada when the vast majority of Canadians are not receiving incomes sufficient to maintain an adequate standard of living.

[Mr. Argue.]

More than that, the very small income taxation reductions that have been provided in the budget and the utter failure to go ahead with an agreement to provide social security measures place the people of Canada in a position where they cannot look forward to years of prosperity, but rather only to depression, poverty and misery in the very near future.

Mr. DONALD M. FLEMING (Eglinton): Mr. Speaker, this effort on my part will in no sense be a sermon but it will open with a text. I am grateful to my hon. friend, the Minister of National Defence (Mr. Abbott), for supplying that text. It will be found in part of the quotation with which he closed his remarks this afternoon: "We have a Minister of Finance (Mr. Ilesley) who is not afraid to tax." Apparently this is the cry of the Liberal party: We are the party of taxation; we are the party which is not afraid to tax. Their fitness for office apparently is to be based upon their ability to heap on the taxation.

During the five days of this debate a good many adjectives have been devoted to this budget. Probably it has earned a good many of them because it is certainly a record-breaking budget. It has engendered more bitterness than any budget in the living memory of the people of this country who were led to certain expectations in consequence of lavish government promises. They have carried a heavy load of taxation during the war; they struggled along manfully hoping to see light at the end of the road, in the form of some relief from the crushing burden of taxation. What have they been given in this budget—this budget for the first full year of peace?

In the first place, they have been told that there will be no easing of the load this year. In the second place, they have been given no hope of any worth-while or substantial easing of the load after this year. In the third place, they have been given no evidence of retrenchment on the part of the government. Is it small wonder that the taxpayers of this country feel frustrated, defeated and bitter? And bitter they do feel. They put the responsibility squarely where it belongs, on the doorstep of the government.

May I say a word concerning these so-called deferred reductions. To what shall we liken these slight reductions, these phantom, fugitive reductions? Would this be a fair picture? We have a very tired, jaded steed which has covered six long, hard laps. We have a rider plunging the spurs in further and further and calling for another long, hard lap, with greater expenditure of effort on the part of the steed