

This is what centralization will lead us to; it would only increase, I believe, the unfair treatment meted out to the province of Quebec.

(Text):

Mr. J. H. MATTHEWS (Kootenay East): Mr. Speaker, so many complimentary phrases have been addressed to the Minister of Finance (Mr. Abbott) on the presentation of this, his first budget, that it seems almost superfluous to add to them. Yet along with others I do wish to compliment him, even though I do not agree that his budget is as fine as he would have us believe.

Others have taken that budget apart and revealed to us its many deficiencies, and there is no need for me to do so. However I want to say that I share the disappointment felt by many thousands of people, in that the exemptions have not been raised to \$1,000 for single persons and \$2,000 for married persons. Speaking in this debate a few days ago, the hon. member for Cape Breton South (Mr. Gillis) said, as reported at page 2897 of *Hansard*, that people would not mind paying taxes for a decent social security plan. I quite agree with the hon. member. For many years as a servant of the church my salary with exemptions did not bring me into the taxable group. When I heard people from time to time grouching about the taxes they had to pay I said then, as I say now, "Give me the salary and I will gladly pay the taxes." That, sir, is the feeling of many thousands who are in such low income groups that they do not come anywhere near being taxable. Canadians generally are not a tax evading people. They know that it costs real money to run any country, especially one as large as this dominion, and they are prepared to do their part. But having said that, let me also say that they want their taxes used wisely and economically. They abhor reckless, wasteful spending, much of which went on during the war years; on the other hand, they do not want to strangle progress by the adoption of a penny-pinching policy. There is a happy medium to be struck and they want their Minister of Finance to strike it.

I also want to support another statement made by the hon. member for Cape Breton South when he deplored the fact that the Minister of Finance had not seen fit to drop the nuisance tax on soft drinks and chocolate bars. I have received representations from some comparatively small soft drink manufacturers in my constituency, and they have assured me that on the removal of the two per cent excise tax they will pass the tax

savings on to their customers, keeping the price at five cents and maintaining a uniformly high quality of product.

I also want to voice my disappointment with the budget in that no change has been adopted with regard to the taxing of cooperatives. The amount of revenue that has accrued to the government cannot be much; but I know that ever since the tax provisions were applied to cooperatives at the last session of parliament they have not ceased to voice their objections. Let me point out to the minister that when cooperators from the Atlantic to the Pacific voice their objection, an increasing number of the Canadian people are speaking. Personally, I am in entire agreement with those who ask the government to introduce a cooperative act, one that will permit cooperatives to function on a proper basis.

I want now to leave the discussion of the budget for the moment and speak of other matters of national concern. The various countries of the world are engaged in a titanic struggle for markets for their surplus products, and Canada is participating in that struggle. At the moment the limitations of production give a head start to those nations which have the more quickly reverted to a peacetime basis. A hungry world is clamouring for consumer goods, but the day is not far distant when the supply will exceed the demand. Then good will, salesmanship and quality will again enter the picture. There are three areas which particularly interest Canada at the present time. They are the Orient, Great Britain and Europe. The oriental markets we shall have to share with others. The British market is fairly well assured to us by preferential tariffs. The European market has to be developed if Canada is to have her fair share of it.

By way of illustration, let me speak of Czechoslovakia and its needs and the possibility of Canada's developing a real market in that country. Today Czechoslovakia needs large quantities of wheat, rye and other coarse grains, lumber and other goods that we produce in abundance. These she can buy on the open world market at prevailing prices. The difficulty arises when we ask the question "How shall she pay for them?" Not only Czechoslovakia, but all European countries are anxious to buy from us. Their difficulty is that both now and in the future they must pay in dollars. Transportation costs to and from European countries must also be met in dollars. The fact that central Europe (Germany) is an occupied country makes the task all the more difficult in that more United States dollars are required to pay for land transportation. These, together with tariffs against