

The Minister of Finance, in dealing with the monetary question, told us that at the end of March, 1947, we had an unmatured funded debt of \$16,524,164,000. That, I may say, is in contrast with approximately three and a quarter billion dollars as at March 31, 1939, just before the war broke out. In 1947-48 interest is estimated to run to \$437,517,000, as compared with approximately \$128 million for the last fiscal year before war broke out. This means that our interest is now almost four times what it was before the war. In my opinion, a large percentage of that interest is not necessary and might better be employed for the payment of many of the things we in Canada need much worse than we need the payment of interest to individuals who, after all, are creating credit which is based on the ability of the people of Canada to produce and deliver goods and services. I feel that there is no need whatever for a budget such as the one delivered by the minister, and I think the minister himself was just a little bit ashamed at having to deliver such a budget. I am sure we all realize that it is not his alone, but that he received quite a little help in preparing it. At page 2553 of *Hansard*, under the heading of "Tax policy" we find this:

Economic considerations alone would hardly justify immediate tax reductions. As I have already stated, there are still substantial inflationary pressures pushing our prices and costs up. Reductions in taxes may add up to these pressures in some measure, though they should reduce some of the demand for higher wage rates.

Then, along in the second column, the minister says:

Therefore, whatever may be argued from the point of view of immediate economic effects, or long term debt policy, one must reach the conclusion that those who must bear them are not ready to support income taxes on the present scale. In fact, I am sure that were our present levels of personal income tax to be continued, they would constitute a serious impediment to a full working effort and a brake upon the drive and initiative of men and women in all groups and classes.

Farther down in the same column, he says:

It would appear that if Canadians are asked to carry tax burdens which, after making due allowance for lower cost of living or lower cost of doing business or other offsetting factors, are significantly heavier than those imposed by the United States, there is a risk of a serious drain of Canadian personnel to the south for this reason alone.

Then on page 2554, under the heading 'Personal income tax', the minister has this to say:

This is the tax that at present levels is proving so unpopular and is causing difficulty. To overcome the situation which I have described a sub-

[Mr. Fair.]

stantial reduction is necessary and I do not feel that we can afford the reduction required in this field and also substantial reductions in other forms of taxation in the face of the responsibilities which Canada finds upon her shoulders in this post-war period.

I said a few moments ago, Mr. Speaker, that it was unnecessary for the Minister of Finance to come to the house and tell us that he expected to expend so much money in interest during the present fiscal year. The same thing applies to our national debt, because had the policy been adopted which Social Crediters have consistently advocated in this house since we came here first in 1936, Canada would not have a national debt of the present proportions. I might say that we have been supported in the past—I am not sure whether their minds have as yet been changed—by some of the Liberals on the other side of the house. For instance, in the past we had the support of Mr. McGeer—now Senator McGeer—Mr. Arthur Slaght, who represented the constituency of Parry Sound, and for some time the hon. member for Rosthern (Mr. Tucker) also supported that view.

Mr. LOW: Times have changed.

Mr. FAIR: Someone says he is not in now and he does not believe in that way any more, anyway.

Mr. JOHNSTON: He is Liberal leader in Saskatchewan now.

Mr. FAIR: I was rather amused the other day—I think it was Friday—when the Minister of National Revenue (Mr. McCann), who administers the medicine, rose to speak in support of the Minister of Finance, and in his own polite way told the Progressive Conservatives and the C.C.F. that they should withdraw their amendments and shut up, that the budget was good anyway. As we all know, the Minister of National Revenue is a medical doctor and in his practice is in the habit of administering bitter medicine. I feel that on this occasion he chose to put a little chocolate coating on it so that the patients would not notice the effect while the medicine was going down.

An hon. MEMBER: It was bad medicine.

Mr. FAIR: I do not feel that he can fool the workers of Canada with the speech he made. They are just as wise now and just as much opposed to the taxing programme as they were before that speech was delivered. We find that at the first of this year the exemption for a single person is \$750, and that for a married person is \$1,500. Then again, in the case of a married woman who is working or otherwise getting an income of