

as far as gold mining is concerned, it may cause a temporary setback. I am quite sure that, on the whole, it will be of benefit to the Canadian economy. I am quite ready to accept the decision of the Minister of Finance in that respect because of the way in which he and his associates handled the finances of this country during the war period.

I should like to mention the issuance of Canada bonds. In the riding I represent there has been a most sympathetic response to the issuance of these bonds. They are excellent and something that should become a permanent part of the government financial policy.

I have a few criticisms to make which are set out largely in the subamendment moved yesterday by the C.C.F. This subamendment reads:

That all the words in the amendment after "the calendar year 1946," be struck out, and the following substituted therefor:

(1) by raising sufficiently the exemptions of those in the lower income brackets.

In my constituency, particularly among the working people, there is considerable disappointment that the exemptions were not raised to a greater extent. I think it would have been a better policy to have raised the exemption for single persons to \$1,000 and for married persons to \$1,800, and at the same time place more emphasis upon the sale of Canada bonds. I am quite sure that if the exemptions had been raised and the situation placed before the people there would have been a most generous response—I assume there will be anyway—to the appeal to purchase bonds. The sub-amendment continues:

(3) that the budget fails in the new offer to the provinces to provide for social security measures which will achieve a reasonable standard of economic security for all Canadians.

I know there was great disappointment throughout Canada, particularly among old age pensioners, over the failure of the dominion-provincial conference. I think this government should have announced, as a definite policy to be brought into effect in the near future, some scheme for the alleviation of the condition of these people. There are many people in these older groups, particularly those between the ages of sixty-five and seventy years, who are not able to qualify for old age pension and who also are not able to find a place in the labour market. I submit that provision should have been made for them in the budget. The subamendment continues:

(4) that the budget fails in its tax proposals to recognize the principle that cooperatives are non-profit-making organizations.

[Mr. Herridge.]

I am glad the Minister of Finance and the government did not succumb to the wooings of the income tax payers' association, but I do not think they have recognized the co-operative movement to the extent that they should have. Labour and the cooperative movement are the twin bulwarks of any democratic country. I have had long experience in the cooperative movement and I feel keenly about this. I think the percentage of my constituents who are members of the cooperative movement is greater than the percentage in any other constituency. We have service cooperatives, consumer cooperatives and agricultural cooperatives. I realize that this is a rather strong statement to make, particularly when I am looking at the Minister of Agriculture (Mr. Gardiner).

I am speaking on behalf of the people in my district who support the cooperative movement and I urge this government to give that movement every encouragement possible. When the government went to the country at the last election they put out posters reading, "build for a new social order". If the government want to build that new social order they will have to get the cooperation of the people, and there is no group of people in this country doing more toward building a new social order than those who support the cooperative movement.

This evening the hon. member for Cape Breton South (Mr. Gillis) mentioned what had been done in his district in Nova Scotia, but I should like to give an illustration of what has been done in my constituency. In 1932 a few men who lived in Rossland, who were working for the Consolidated Mining and Smelting company, decided to form a co-operative to transport themselves from Rossland to Trail, a distance of about seven miles. At that time the charge made by a private company was ninety cents for the return trip. A half dozen men got together in 1932, formed a cooperative and purchased five or six seven-passenger cars. From then until the present time they worked steadily at the development of that cooperative until to-day it has 1,000 members whom it transports between those two cities for thirty-five cents the return trip. It has a fleet of fifty-seven passenger cars, a \$50,000 garage, several clerks, and has subscribed for over \$20,000 of victory bonds. Last year it was able to pay \$10,000 in patronage dividends. I mention this as an illustration of what a group of people working together can do for themselves.

It is not only the financial advantage that counts; it is the effect that the cooperative endeavour has had upon the city of Rossland