

\$16,500,000,000 borne by our twelve million population, which is throwing our national economy off-balance. It is the result of our undue participation in the war and our unprecedented bounties to England. Such extravagance was based on imperialistic feelings, contrary to the best interests of the nation and conducive to disunity among the people.

At the beginning of the war, the then Minister of Finance set forth the "pay-as-you-go" policy which he meant to follow. Obviously we overstepped the mark since our \$3,433,000,000 debt at August 31, 1939, has grown up to the startling figure of \$16,500 million, despite the many billions levied on Canadian taxpayers, so that we could pride ourselves on policing the world, on lending without interest to Britain, on being the Santa Claus of the empire. Such titles are expensive.

If only those sacrifices had helped to safeguard world peace and order. Far from it, the turmoil is greater than ever. Europe and Asia are starving; rivalries between countries are more acute than ever; and the will to dominate, so evident among the victors, is the forerunner of another conflict. Nazism and fascism have been replaced by a much greater danger, communism, which dominates a large part of Europe and threatens to spread throughout the world. Hitler and Mussolini have been vanquished, but Stalin, who is ten times more inhuman, has taken their place and is dictating the peace terms. In eradicating one evil we have given rise to another, greater than the first. No wonder that uneasiness prevails throughout the world. Surely, such poor results obtained at the cost of tremendous sums and of so many human lives give little cause for rejoicing.

Our policy of lavishness towards Great Britain is being continued in various forms even though the war is over and that country's budget shows a billion-dollar surplus.

For instance, in the case of wheat alone, we are selling ours to Great Britain way under the world price, and at the expense of the Canadian producer. In the words of a Canadian bank president:

When the demand is brisk, we should be getting top prices for our surplus wheat, lumber, metals and minerals on the world's markets.

As a matter of fact, ours is not a Canadian policy, but a policy in the service of the empire.

A reduced scale of income taxation was announced by the Minister of Finance (Mr. Abbott) at the same time as a \$352 million surplus, accumulated in the last fiscal year by means of taxes that were too high. Why should the new schedule not apply from Janu-

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ary 1, 1947, instead of July first? When taxes are too high is hardly the time to accumulate surpluses.

As for the new tax schedule, the hon. member for Rosetown-Biggarr (Mr. Coldwell) has shown that it brings no relief whatever to the majority of our citizens. In most cases of apparent reductions, they are completely cancelled by the elimination of subsidies on food products and a corresponding increase in the cost of living. So, the reductions are more apparent than real in most practical cases. In order to relieve the taxpayer, the exemptions should have been raised to at least \$1,000 for single persons and \$2,000 for married people.

Everyone needs a minimum revenue to live. Due to the present cost of living a person cannot live normally on \$750 a year. Therefore, the government is not justified in maintaining the present exemptions while announcing a \$352,000,000 surplus. The burden of indirect taxes applying to the necessities of life should have been lightened; the large families would thereby have been granted a measure of relief.

In England, the exemption has just been raised from \$600 to \$1,000 and the subsidies on the necessities of life have been increased. Let us stop extending gifts to foreigners and start thinking of our own people.

Another exemption should be granted to taxpayers, covering all medical expenses incurred.

As the act now stands, where medical expenses do not exceed four per cent of the income, no exemption is granted; if they exceed four per cent, the exemption is limited to a certain amount. Why should it be so? Does the government want to tax illness, misfortune or family obligations? For instance, most of us know what medical, hospital and nursing expenditures the birth of a child entails. People whose income is barely sufficient to cover the necessities of life are unable, after they have paid their income tax, to provide the confined woman with the required care, or else they run forever into debt. In other cases, through lack of money, children are deprived of necessary medical care.

The provision of the act which limits the medical expenses exemption is antisocial and detrimental to the family. It should be repealed as soon as possible.

Another provision of the act that is anti-social, that discriminates against families, is that concerning exemptions for dependent students.

If I am not mistaken, this exemption used to be \$500, and was granted to age 25. Why limit it now to age 21 and \$300? Anyone