

the Chase Security Corporation at an interest rate of 4.38. That was the Dominion of Canada selling those bonds last October. The province of Quebec, only a few days ago, financed a \$7,000,000 or \$8,000,000 loan at 4.38, and a short time ago the province of British Columbia financed a loan of some millions of dollars at 4.49. I noticed the other day $4\frac{1}{2}$ per cent bonds of the Consolidated Gas of New York advertised at 101, and I see that state of New York tax free serials, payable from 1947 to 1981 were disposed of at a price which yielded only 3.45 and 3.40 per cent. A day or two ago United States tax free securities of 1949 sold on the market—I believe the announcement was made yesterday or the day before—at $3\frac{1}{8}$ —and they have already gone up so that they yield only 3.07 per cent. It is not a remarkable financing operation, then, for the people of this country to be induced to take the premier securities of this Dominion at $4\frac{1}{2}$ per cent. We are glad that it has been successful, but I wish to say in all frankness that in my opinion and judging by other public financing the rate which was paid and the terms on which the loan was made were exceedingly generous, if not high, so far as those who got those bonds are concerned. Furthermore, I believe that my right hon. friend has created a precedent which he will find dangerous in years to come with regard to the payment of the expenses in connection with the loan. The other day I asked a question with respect to the expenses for advertising, brokerage and so forth. The answer I received was that this matter would be dealt with in the budget, but the only information I have gleaned from the budget speech is that the commission on the loan was $\frac{1}{2}$ of 1 per cent, and that the bills for advertising have not yet come in. Generally in connection with loans of that kind the advertising circulars, application forms and matters of that description are paid for by the brokers out of the $\frac{1}{2}$ of 1 per cent commission. On this occasion the government is making these payments—they are a contribution from this dominion. You will find, I think, that a generous allotment was made for circulars, applications and so on, and particularly for newspaper advertising, and brokers and those handling the loan got the benefit. They were saved that expense which they usually bear. The net result is that the dominion has paid in cash \$3,000,000 for exchanging its present securities for new long term securities bearing interest at $4\frac{1}{2}$ per cent, and this at a time when the other financial operations to which I have referred are

carried on, in the way I have described, by public and private bodies. I reiterate, we are glad to have had the loan so well received, but it is only natural that the people of Canada should receive well a loan of their own dominion. The suggestion was made in the earlier circulars that came out that this would be a fine opportunity for the people of Canada to subscribe to their own securities. That suggestion need hardly have been made because, if I remember rightly, of the \$2,200,000,000 or \$2,300,000,000 funded debt of Canada over \$1,800,000,000 is already held by citizens of the dominion.

I wish now to deal with some specific items which have been referred to in the second part of my right hon. friend's budget, that is to say, matters with respect to tariff and taxation. The Prime Minister took up about an hour and a half discussing statistics but gave very little time to his proposals. Consequently I find myself in a rather difficult position in dealing with these matters. I have not the particulars with regard to many of the proposals, particularly those concerning taxation. I have not had the same opportunity to go over these schedules as my right hon. friend has had as Minister of Finance, and therefore my criticism of this phase of the budget will necessarily be confined more or less to general principles rather than details. First of all, let me say, what is being said all over the country at this time, what is appearing in the newspapers, and what I believe is the general criticism which the people themselves have to offer, that this country is tax-ridden at this moment, and the Canadian people apparently are not to be relieved of the burden for some time. And in these circumstances people consider that this budget has all the appearance of a rich man's budget. While the income tax is increased substantially in the medium brackets, it is reduced in the higher brackets. There is a 25 per cent maximum now whereas previously it went up to 49 per cent. I ask this house this question: If the income tax is 1 per cent on \$1,000, 2 per cent on \$2,000, 3 per cent on \$3,000 and so on up to 25 per cent, is there any reasons why the rate should not be maintained on the higher incomes? Is not the man who has \$100,000 income in a better position to pay 50 per cent than the man with \$5,000 to pay 5 per cent? My right hon. friend has given us no explanation in this regard. We have only the bare record and the act to guide us; and taken as it stands this aspect of the budget, it seems to me, deserves severe criticism, especially at a time like this.