

Prime Minister or the Minister of Finance to negotiate a satisfactory settlement at that conference. In that respect, the citizens of Canada might well read the remarks of Premier Manning of Alberta on the uncompromising rigidity of the Minister of Finance, and the remarks of Premier Angus Macdonald of Nova Scotia, who was one of the ministers of national defence in the present government throughout the war. Everyone who can obtain a copy of the proceedings should read carefully the record of the remarks made by the premiers and the officials who sat around that conference table for five interesting days.

May I conclude by saying that I wish to support the amendment made by my colleague, the hon. member for Muskoka-Ontario (Mr. Macdonnell), which reads as follows:

This house regrets:

- (1) That the budget does not provide for tax reductions in the calendar year 1946;
- (2) That the budget gives no indication of any serious attempt to eliminate extravagance or effect economies in the cost of government;
- (3) That the policies of the government are discouraging much-needed production.

Mr. T. J. BENTLEY (Swift Current): In rising to take part in this debate I shall confine myself particularly to the matter of the taxation of cooperatives. I believe that is important, and that the minister and his colleagues need some elementary education on the workings of cooperative associations. I am going to be elementary to-day for the simple reason that the minister may understand these elementary principles—he gives no indication of it in his budget proposals. It is well for the house and the country to know that the minister has at least been told what these elementary principles are.

Of course I cannot entirely ignore the calous disregard of the government for the people in the low income brackets. They have been given a miserable \$90 increase in exemption. That means that a single person now has an exempted income of slightly over \$2 a day—hardly enough to pay for the meals of an hon. member in the parliamentary restaurant for one day. It seems to me utterly cruel to expect these people to live on the amounts allowed. It is such a small amount that it is on a par with the old story of the Scotsman who came home and told his wife that he had just received an increase in pay. They were jubilant about it, and she said: "How shall we celebrate, Sandy?" He said: "I dinna ken, lass, but at least we shall start by tossing the canary another seed." The government is celebrating the end of the war by tossing another crumb to the people in the low income brackets.

In his budget speech, as reported at page 2920 of *Hansard*, the minister made this statement:

I am now in a position to say that in general the government accepts the commission's report as the basis of its proposals with respect to the taxation of trading cooperatives, credit unions and mutual insurance organizations.

Of course, the commission referred to is the McDougall commission. Throughout the minister's remarks on this matter—and it is one of extreme importance to many people in Canada—he clearly indicated that he is so thoroughly imbued with the belief that the returns on capital are more important than the welfare of human beings, that he has disregarded the welfare of the kind of human beings who make up these cooperatives.

In discussing this matter I propose to show two glaring examples of this predilection on the minister's part. It is apparent to me that the minister has made no study of the underlying principles of the cooperative movement or the cooperative associations, in spite of the fact that these associations have been in existence a long time in many countries. Anyone who studies world affairs, even in a casual way, is aware of the existence of these organizations for a long time. They have been established in Britain, in Russia and in the Scandinavian countries for many years, and for a great many years have been developing on the North American continent. They were established for the distinct purpose of endeavouring to improve the living standards of people in the low income groups. They have been accepted by a great many responsible people in this country, as I shall prove later, as important institutions for that purpose.

These cooperative associations are the natural outcome of the needs of people in the low income groups. They have tried to find some method of protecting themselves by being thrifty in a world of grab and greed, where monopoly enterprise, semi-monopoly enterprise and large business institutions have so much power in so many places. The only protection these ordinary income earners had was to form an association governed and controlled by themselves so that in a thrifty manner through cooperative enterprise they could save for themselves as much of their earnings as possible. It is entirely distinct from any private or corporate enterprise, because in an ordinary corporate or private enterprise the primary purpose is a return on capital. Let us look that over. In an ordinary enterprise, say a private company, before they begin the promotion stage the first thing that happens in the mind of somebody or of a small group of people is that they believe