resistance of our Canadian forces and their comrades in arms to aggression in Korea and because of the increasing strength of the forces of freedom in Europe, there are signs of a lessening of the danger of an outbreak of war on a global scale. My ministers are convinced that a lasting peace can be assured only so long as the combined strength of the free world continues to be built up and maintained.

It never was intended to imply that it was possible to lessen our efforts to build up and maintain the combined forces of the free nations in Europe. I do not want to pose as a military expert, but as a Canadian citizen I do not feel that there are sufficient allied forces on the continent of Europe at this time to resist aggression from the Soviet forces. I feel quite convinced that that strength has to continue to be built up and will then have to be maintained as an insurance premium against the possible outbreak of war in that important section of the free world.

Another matter with which the hon. gentleman dealt, and which I feel I must discuss at some length, is the pretended overtaxation. I noted one expression he used which I am sure is not exactly what he had in mind. He said that the people were being overtaxed far above the amount authorized by parliament. The hon. gentleman knows, as we all do, that parliament does not authorize any amount of taxation. Parliament authorizes certain amounts of expenditure and then parliament authorizes certain rates of taxation. Those rates of taxation apply to the basis that is forecast. When they have been authorized, if the economic activity of the nation is greater than had been estimated those rates produce an amount larger than they had been intended to produce when the lesser estimate of the economic activity was made. The converse is also true, as has been frequently pointed out by the hon. member for Greenwood (Mr. Macdonnell). I remember one occasion when the hon. member had misgivings about the prospects. He was glad to see that the Minister of Finance (Mr. Abbott) was so optimistic, but he was not satisfied that his optimism was quite justified and was much concerned about what would happen if instead of there being an increase in the gross national product there was a slight recession.

Mr. Macdonnell (Greenwood): That was a good many years ago.

Mr. St. Laurent: No, that was only in 1950 and there was much of the same feeling in 1951. I was quite impressed by the warning from the hon. member for Greenwood (Mr. Macdonnell) because it is not only the gentlemen on his side who feel that he is experienced and is very sincere and objective in the examination he tries to make of our financial situation from time to time. In that year the rates of taxation were designed on a gross national product of $20 billion to produce about $3⅜ billion. Although that was looked upon as an optimistic forecast it turned out that the gross national product was $21¼ billion, and the result was that there was about $300 million in additional revenue for that year produced by the same rates of taxes.

The hon. gentleman says no express statement had been made that we were raising taxes for the purpose of paying off our debt. No, there was not; but there are lots of people in Canada who, when they find that in a given year they are more prosperous than they expected to be, if they have any mortgage or other debt, think it is a pretty good year to make a payment on it. Parliament had felt that if the gross national product was $20 billion it would be proper to take off about 18½ per cent for the current expenditures of the country and that would not be intolerable to the Canadian public. When it happened that the Canadian public achieved a gross national product of $1¼ billion more than had been anticipated it was no hardship on the individual Canadian public that 18½ per cent out of that additional gross national product should go to retire some of the debt that had been inevitably piled up under the stress of war and wartime conditions. That was repeated in the following year.

The hon. gentleman fears, and I think that is perhaps not too strong a word, that it will be repeated this year. Well, I hope it will, but I do not dare to expect it. I sincerely hope that it will be repeated. I have been told a good many times that I do not know very much about politics, that I do not seem to be very much worried about party politics but that I seem to be considerably worried about doing my part to keep the right kind of country for my grandchildren to grow up in. Well, I think the more we have of these fortuitous possibilities of paying up some of the debts we are going to leave to the generations ahead of us the better this country will be for anybody's grandchildren to grow up in.

I do not think the Minister of Finance has been such a bad guesser, and I do not think the general public feel that way about it. Although perhaps it may be said that they are not Canadian taxpayers, there are a great many who look with envy upon the financial record of this country during the last few years. I would just like to refer briefly again to something published in the Montreal *Gazette* on November 4, 1952. It was not from one of its own leader writers,