

a month. How does that look in view of the increased cost of living of which I have spoken? Someone has pointed out that the family of four earning \$150 a month who might hope to enjoy a reduction of nineteen cents a week, if they live until next July, actually pay out many times that amount a week in increases in the price of food.

My main criticism, then, of this feature of the budget, is that the consumers of the country, and particularly the consumers who cannot afford it, are being mulcted to build up a surplus, and to pay substantial sums by way of reduction in income tax to those who enjoy the higher incomes; and I might say here that I do not mean those few who have incomes of \$200,000 or whatever was the amount that was discussed here this afternoon. This money that is being used to reduce the tax on more fortunate people's incomes is being found in part by the removal of government subsidies on many essential commodities like sugar, milk, tea, soap and things of that kind, and all this while the government contemplates complete removal of the excess profits tax during the current year. If we look at the budget from that angle, it furnishes no relief to all those people who are not in a position to pay income tax at all, or to those who are in the low brackets of income.

This idea that the tax was reduced most in the brackets of the lower income is just an illusion. These last-named people should not be paying any taxes at all, and that brings me to a statement of my belief, namely, that the government should have reduced taxation by raising the exemption, in the case of a single person, to at least \$1,000 a year before he would have any income tax to pay and, in the case of married persons, to \$2,000 a year upon the same terms. That would, of course, have reduced further the number of people who pay income tax. The number of such now, as the minister admitted in his speech, is already less than fifty per cent of those earning incomes. That is a serious admission of the low standard of living of these Canadians in a land of plenty, in what has been described as the peak year of all peak years. There is no indication that the minister or the government to which he belongs has any remedy to meet that situation. Indeed, he rather implied at pages 2548 and 2549 of *Hansard* that the situation would get worse. It is the apparent lack of any such plan or any such remedy that furnishes us in the C.C.F. with our greatest ground for criticism, for there is no apparent provision for a social service programme.

It is a long time now since the dominion first met with the provinces to work out something for their mutual benefit, but the government is still drifting and is doing no planning, or at least there is no evidence of any. There should be blueprinting of a social service programme and grants should be made by way of provision for research and for such planning. Of course the government lays the blame for the failure of the conference on certain other quarters, and I may say that with that view I largely agree. But the fact that the blame is not altogether their own does not absolve them of their responsibility. They are the party which is charged with the government of this dominion. The government should enter into further agreements for the provision of this social security with the provinces that have already signed. I was glad to see by my paper today that Nova Scotia has joined the number of those with whom an agreement has been reached.

The government points to the amount of money in the savings banks and in bonds as a backlog of purchasing power in the hands of the people. Well, fifty per cent of the people of Canada have no such backlog and they are the people who spend their all on consumer goods. The people who have this backlog are not spending it on consumer goods. They are looking around for places for profitable investment of those funds, investment which will in turn produce more consumer goods but will not increase the purchasing power which is necessary to buy them. When that condition exists, we are in danger of the oft-predicted depression, or as the Minister of Finance (Mr. Abbott) put it this afternoon, recession. If and when that occurs, it will find us again a nation divided, with no over-all plan to meet it.

Having criticized the budget, I should like to turn to some of the criticism of it which has come from the official opposition. May I say that I have sincere sympathy, in a personal way, with the hon. member for Muskoka-Ontario (Mr. Macdonnell) who spoke for the official opposition. I have sympathy with him because he was suffering from ill-health. I see that he is not in his seat tonight, and I sincerely hope that he has made a complete recovery. But I must say that he did not feel any more feeble than was the material of his speech. While comparisons are invidious, I cannot help comparing that speech with the concise and virile statement made by the hon. member for Rosetown-Biggart (Mr. Coldwell), who criticized the same budget, but who did so from a totally different viewpoint.