

creased production will give wider employment and provide the real answer to labour unrest. Our national labour difficulties and problems are, to some degree, directly traceable to the government's policies toward all industry. To stifle production is to raise the banner of labour trouble; to speed production is to bring about industrial peace and understanding.

Many thousands depend for their livelihood, directly or indirectly, upon industry of one sort or another, and the stifling of production, due to present government policy, is jeopardizing their security and holds the menace of substantial unemployment. Returned service men and others, setting themselves up in business and putting their gratuities and savings into store rentals and other overheads, are finding themselves in an untenable position owing to lack of merchandise to carry on, through no fault of their own. Such a situation cannot continue; it simply leads to financial disaster.

Before leaving this subject, I want to emphasize one other point. This new era into which we are moving is one that demands research by industry to enable it to keep up with competition in the rest of the world. There is no industry that I know of that can go on in the same old rut and operate successfully. Research costs money and yet it is essential. Government policies are forcing these people to limit research, which simply means that Canada will, in the end, fall behind other countries or become somewhat of an economic dependency of those which have had the foresight to encourage research and industrial expansion. I cannot imagine that is what the government wants; and I give it credit for a greater sense of national independence.

The future of Canadian business is the responsibility of this government. I ask what it is going to do to help stabilize and promote our business and to provide incentives for expansion.

The failure of the government to take proper action to assist business in the broadest sense of the term will, inevitably, work hardship upon the average citizen whose living is dependent upon them. We are already caught in the outer whirl of a spiral of inflation that is lifting living costs and promises to lift them higher in spite of the government's fine sounding talk about price controls.

Speaking generally, I believe Canadians fall into three groups: (1) Those who have some control over their income through their association with organized labour or through their ability to negotiate individual wage increases; (2) those who are engaged in primary industry, of which agriculture is a most

important part, and are being penalized by the government and for whom little is being done; (3) those who live on so-called unearned income such as rentals, income from investments, endowments, pensions and the like. All stand to suffer from rising prices, and this fact is obviously recognized by the government by its action to raise the income tax exemption from \$660 to \$750 for single persons and \$1,200 to \$1,500 for married persons, effective in 1947. These exemptions should have been higher, and the best that can be said for this action is that it shows a realization that prices are on the upgrade—but it is only words. There is need for immediate help for individuals. This trivial increase in tax exemption will not help the individual taxpayer until he pays his 1947 taxes in 1948, which we must admit is extremely belated. It makes no special provision at all to help those who have no control over their incomes, which are steadily diminishing in buying power through no fault of their own. All these exemption increases could have been effected by sound government action in cutting unnecessary extravagance.

I should like to see how those who framed the budget would get along on the earnings of the average wage earner, out of which must be paid unemployment insurance dues, insurance, medical expenses, et cetera. What is there left to live on? It may be possible to eke out existence, but that is not living. What is there for recreation? For education of children? For savings against hard times? There is very little. Canadians are entitled to enough untaxed earning power to enable them to provide for some measure of self-security so that they can be free to build their own future and look forward to leisured, untroubled retirement on the results of their own work and thrift. As it is, this security, this living, is made well-nigh impossible because of the burden of taxation laid upon them.

Much has been said about security—the government says that it provides security. And what a security! We are a free people, or at least supposed to be. We boasted of that during the war when, with that as theme, the government refused to inaugurate conscription of man-power. Now that we have peace, the government is ready to repudiate freedom, and force this free people to a very low level, dependent upon the red tape and bureaucracy of the government for doubtful security. Why should those among our people who work hard and honestly be compelled to sacrifice their own security so that those who are unwilling to work shall be looked after on an equality basis? This is neither justice nor democracy.