

by what the manufacturing and distributing combines agree to charge for their services. The only bound beyond which they cannot go is the price of the article abroad with the whole amount of the duty added. The price in the country of origin, it must be remembered, is the retail price. If the consumer or even a co-operative company of consumers attempts to import anything direct from a manufacturer the dumping clause is at once applied. The dumping clause takes into account the rule of the manufacturing and distributing combines of the Dominion in their classification of the citizens as to what price each class must pay on its imported goods. In other words, the consumer must pay retail prices, and the retailer must not go beyond his wholesaler. In many lines, too, the wholesaler must buy from the jobber or dealer, who stands between him and the manufacturer. If any of these go beyond what they are allowed there is a levy made under the dumping clause which is always equal to the profits of all in between. Each of these concerns is jealous of its rights under these combine exactions, and each allows no deviation from this rule. A co-operative company, no matter what article they handle or in what quantity it is handled, are allowed no higher standing than that of a consumer. Canada was the first country in the world to enact what is known as a dumping clause. The first thought was to protect only our infant industries, which had then been infants for some twenty-two years at least and which, according to our protectionist friends in this House, are just as helpless to-day as when the dumping clause was put into force.

There is still another feature of unfairness in the tariff, even if we concede that Canada should have a protectionist policy. That feature is that no trade discounts are allowed except to the trade, that is the distributors or the manufacturers. In some lines of goods this gives a protection to the manufacturer and the distributing combine over the consumer of from 90 to 190 per cent.

An hon. MEMBER: On what articles?

Mr. EVANS: The hon. gentleman asks what articles; in particular on hollow ware, kitchen utensils and so on—I think it is rather worse on that class of goods than on any other. So between trade discounts and dumping acts we have a fiscal system which, for unfairness, injustice and hardship on the consuming class has never been surpassed in any country of the world.

While I favour the budget in a general way and will give it my support, I cannot

[Mr. Hamilton.]

help voicing one or two objections. The Progressive party has always stood for direct taxation; in fact the farmers' organizations, which existed for twenty years before the Progressive party was brought into being, stood for direct taxation. I would prefer to have seen some of these tariff incongruities abolished as a means of lowering taxation and the cost of living, instead of making a cut this year in the income tax. It may be news to some of our protectionist friends that the Progressive party did not ask for this cut in the income tax.

Mr. FOSTER: Will the hon. gentleman permit me a question? You say the Progressive party has been in favour of direct taxation. Would you be in favour of a tax on all incomes of \$500 and up?

Mr. EVANS: No, I would not. I think it can be said with some justice that the increase in the income tax exemptions is, perhaps, justified. I think a man must be allowed a living, and \$500 would not give him that.

Mr. FOSTER: Then what method of direct taxation do you favour in order to permit the country to derive a revenue?

Mr. EVANS: There are a good many methods.

Mr. FOSTER: Well, state some.

Mr. EVANS: I certainly would have an income tax as a permanent thing, also death duties, a tax on land values, unearned increment, and so on, to be collected from the man best able to pay rather than from the poorer consumers. In some cases the poor people are the greatest consumers, in fact the bigger family a man has the more commodities he must purchase. I think such a man should not be called upon to pay the same rate of taxation as a man with an income of \$10,000. I would sharply graduate the income tax as the incomes increase. I have said that between trade discounts, dumping acts, and other features of our protectionist system we have a fiscal policy that has never been surpassed for the injustice and hardship inflicted on the workers.

But let us look for a moment at the moral side of all this absurd legislation, and let me try to define protection from that standpoint. Any law that is economically unsound certainly becomes morally wrong. In the first place we are supposed to be a commonwealth, but our laws are a series of divisional statutes discriminating between the rights of citizens and giving to one class the power to exploit the other. I say it is not the province of any