

their own hands a great part of what is produced; that not being able themselves to consume this large quantity, they are forced to put it back, or as the phrase is, to plough it back, into the business. The result is that they develop still greater plant equipment which, in turn, produces an increasing volume of goods, and to-day we are suffering from over development of plant equipment, of facilities for producing. On the other hand we have not adequate buying power on the part of the masses of the people. If any hon. member is interested in following up that line of argument, I would suggest that he could not do better than read some of the recent treatments of the subject by J. A. Hobson, the distinguished English economist, whose thesis is that an undue proportion of savings is being put into fixed capital. I would suggest that this budget is rather accentuating that very tendency because we are placing the burden upon the poor man. We are making it harder for him to expend money on consumable commodities, and on the other hand we are releasing large sums of money that must of necessity find investment in various fields of enterprise.

The true fiscal policy would be, it seems to me, to place the burdens where they can best be borne, so far as possible to release the income of the smaller men so that they may be able to buy back what they have produced, and instead of forever talking about the development of foreign markets, to lay a great deal more stress on the development of our home markets. That is what we need to-day. I know some of my Conservative friends are very apt to use that phrase: "The development of the home markets." They are thinking of the development of home markets for agricultural produce. I would suggest that we need more home markets for all manufactured goods as well, and if we had a greater purchasing power that could be accomplished.

I am afraid that some of us cannot consistently vote for the budget as it stands. We see in it, as has been stated in the sub-amendment, a departure from the principle of the income tax. That to me is very important. I should like to see the income tax greatly increased. I should like to see the higher incomes still more heavily taxed. It may be said by some that we advocate this arrangement simply to benefit ourselves. Frankly we do, but we claim that in reality we represent and are endeavouring to speak for the large part of the population of Canada. Only a very small number of people pay income tax, yet their great wealth makes it possible for them to pay much more than they are paying at the present time.

I would urge upon the Minister of Finance, in view of the large measure of unemployment which exists among a great section of the people to-day, and in view of the unsatisfactory conditions which are found among many people who are engaged in the ordinary business activities, that he might very well try an experiment along another line from that which has been followed in this country for the past fifty years, and that he should arrange his budget in the interest not of the big industries, which may be quite sincere in identifying their interests with those of the public, but rather in the interest of the great mass of the people who, although they may not be able to understand the intricacies of the tariff schedules, are nevertheless the best judges as to where their own interests really lie.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, in rising to make a few observations on the motion of the hon. Minister of Finance (Mr. Robb) and the amendments thereto, I intend to follow my usual practice and be brief. At the outset I desire to thank hon. members for their kind expressions on my behalf in the course of the debate on the address. The hon. leader of the opposition (Mr. Bennett) in his speech on the address said that my speech as seconder could have been equally well pronounced from his side of the house.

Mr. BENNETT: I am sorry, Mr. Speaker, but that is not quite correct. I said that the hon. gentleman would be equally at home on either side in making a speech in moving the address.

Mr. BEAUBIEN: I have his remarks here, Mr. Speaker, but I am not allowed to quote from a previous debate. I have only this to say to the hon. leader of the opposition. It is very seldom that I offer advice to any of the leaders, but I will take the liberty at this time of saying that had he had a greater knowledge of the French language or awaited the translation of my speech, I do not think that remark would have been made.

Another hon. gentleman seemed to be rather peeved at my being chosen as the seconder of the address, and that was the hon. member for Bow River (Mr. Garland). He was concerned at my seconding the address in reply to the speech from the throne without having had anything to do with the preparation of that speech. I have no apologies to offer to anybody. The hon. member for Bow River