

a fire broke out in a small shop and the whole village was destroyed. How many of them were sorry then that they had not taken advantage of the protection which the mayor wanted to insure for the village! That mayor had been defeated at the polls because he wanted to give the locality a fire protection system. They had even lost a small industry, established in the village, but which moved elsewhere so that its operations might be protected against fire. Today the village is being rebuilt and it now sees the necessity for such protection, and is taking the proper measures. Those citizens are now paying large sums, but a little belatedly.

It is always thus. It is also claimed that the Russians will never attack us here. They will surely not come if we prepare ourselves, if we are on the lookout and ready to defend ourselves against the very first attack. But if we do nothing they will come here, just as they went into other countries where they were sure to win.

I am all for reasonable taxation and for proper remedies where expenditures are excessive. But I sincerely believe that everything is being done to curb abuses or extravagance. The government has not hesitated to sue those who thought they could rob the treasury brazenly. Let us remember that if each one paid his whole share, taxes would be cut in two. According to surveys conducted by our organization in certain districts, we have come to the conclusion that if each one of us paid what he should pay, taxes could be reduced by 40 per cent. The middle class is made up for the most part of civil servants, called white-collar men. They pay their whole share; but among the others, there are many who try by every possible means to evade taxation, if not to cheat on taxation, because they do not understand that what they fail to pay, their neighbour will have to pay. Not only is it an injustice, but it is robbery not to pay one's taxes. I fail to grasp how those who maintain the contrary understand justice and fairness because, as I have already said, what the tax evader does not pay, his neighbour will have to pay.

On the subject of taxation, I would like to mention another point. For some time, I have been receiving many requests to quote the sections of the British North America Act dealing with the powers of taxation of the federal and provincial governments.

As I am no jurist, I will refrain from going into the finer points, but simply quote what the British North America Act provides, in sections 91 and 92, with respect to the legislative powers of Canada and of the provinces.

Article 91 of the British North America Act reads as follows:

Legislative power of the Parliament

It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order and good government of Canada, in relation to all matters not coming within the classes of subjects by this Act assigned exclusively to the legislatures of the provinces, and for greater certainty, but not so as to restrict the generality of the foregoing terms in this section, it is hereby declared that (notwithstanding anything in this Act) the exclusive legislative authority of the Parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated; that is to say,—

....

3. The raising of money by any mode or system of taxation.

As to the provinces, section 92 provides as follows:

Exclusive powers of provincial Legislatures

In each province the legislature may exclusively make laws in relation to matters coming within the classes of subjects next hereinafter enumerated; that is to say:

2. Direct taxation within the province for the raising of a revenue for provincial purposes.

I have only one remark to add: we all know the integrity, truthfulness and great honesty of the Prime Minister of Canada.

Inflation is still a subject of conversation. Last year, in order to control inflation as much as possible, the Government issued orders restricting credit. There was a general outcry. The Government wanted to place fences to prevent the foolhardy from throwing themselves into the pit, for was not the inflation of credit one of the causes of the 1929 depression? At that time, everybody was speculating, and paying for only 10 per cent of the stocks they bought, while depending on the future for the balance. The Government was well advised, it seems to me, in restricting sales under the instalment plan, as I shall try to demonstrate.

Credit restrictions were relaxed, early in 1952, and sales under the instalment plan more than doubled during the second quarter of this year. They increased from \$150 million to more than \$335 million. Cash sales, however, increased but slightly during the same quarter, from \$1,989,800,000 to \$2,015,900,000.