

there has been in the last two or three days. More men are asking the government to carry a part of their taxes, for the simple reason that their interest charges have eaten up their incomes and they are not in a position to pay the taxes levied in cash. I do not hold with some people in this house who think that income taxes in Canada are not high; I think they are at the breaking point. I do not think they can be made any higher if business is to survive. When it comes to taking one dollar out of every two which a man earns, a man with undoubted obligations, a man who must face the necessity of keeping reserves for times of stress, I think it comes about as close to confiscation as it is advisable to go. I contend therefore—I know that I shall not be complimented by many hon. members on this side of the house for saying so—that the Minister of Finance was not wrong in lowering the brackets. There are young bachelors in this country earning eight hundred and a thousand dollars a year who are much better able to pay income tax than married men receiving three thousand and with four or five children to keep. The increase in income tax was very heavy in the middle brackets, but those are the brackets in which the minister can get revenue.

I do not think the minister intends to modify this sugar tax, but I do say to him that he should. If he would reduce it and place a tax on tea and coffee and other commodities he would get a far more equitable distribution of the burden. The tax would fall more evenly on the people of the country, and though he may not like to do so, I suggest to him that he should give the matter further consideration. Had he given it fuller consideration I do not think he would have brought in the tax as it is now.

Mr. RHODES: I do not propose to take the same attitude towards the remarks of my hon. friend from North Bruce as apparently my hon. friend from Shelburne-Yarmouth took with respect to my own observations. I think the remarks of my hon. friend were made in the tone in which we heard them because of the hon. gentleman's sincerity and because he felt what he was saying.

Mr. MALCOLM: I certainly did.

Mr. RHODES: I am prepared to say that I am thoroughly convinced that this was the purpose that animated the vehemence with which he spoke. I know of no hon. gentleman in this house who speaks more temperately than does my hon. friend from North Bruce and who in the main approaches problems in a fairer or more constructive manner.

Mr. MALCOLM: Thank you.

Mr. RHODES: With a great deal of what the hon. gentleman said I was in agreement, although I must take exception to some of his remarks. He repeated, what so many hon. gentlemen opposite have repeated from time to time, the statement that this is a high tariff party. Hon. gentlemen opposite have said this so frequently that I know they thoroughly believe it, and I should find it difficult to dissuade them from that conviction. As a matter of fact, I have been a consistent follower of this party and I have never subscribed to the point of view that we were a high tariff party. We have been frank enough to admit that we believe in the policy of protection, in the policy of adequate protection, and this government has not hesitated, any more than preceding Conservative governments have hesitated on occasion, to reduce tariffs substantially and indeed, in many instances, to wipe them out altogether. In fact, in the very budget before the house there are numerous items which have been placed on the free list.

I do not agree with my hon. friend in his contention, which seems to be shared by many hon. gentlemen opposite, that if we revised the tariff we should not be obliged to resort to taxation. If there is anything in the statement made by hon. gentlemen it means that more goods would be brought into this country and that we should have more revenue from the tariff.

Mr. YOUNG: Precisely.

Mr. MALCOLM: No doubt.

Mr. RHODES: Well, who pays the tariff? The people in this country pay. Hon. gentlemen discuss that phase of the question as if they were going to relieve the people of the country of the burden of taxation.

Mr. MALCOLM: The tariff is paid by those who are able to pay.

Mr. BOTHWELL: Don't we still pay the same price to our own manufacturers?

Mr. RHODES: My hon. friend will not think me discourteous if I decline to be deflected by a question of that kind, because it has no bearing on the point raised by the hon. member for North Bruce, who was dealing with the question of tariff qua revenue. I am not dealing with the question of protection as such, in all its ramifications. The fact remains that the customs duty is paid by the people of the country, and there may be an argument as to whether, in the incidence of taxation, the burden by that method is more evenly distributed than it would be with respect, for example, to such a tax as the proposed tax on sugar, paid directly by the