

debt, or a total of \$90,000,000. That \$90,000,000 has to be taken from other sources of revenue, and it simply means that out of the \$248,000,000 provided by customs tariff and excise duties we have to take \$90,000,000 to meet our expenditures on war account, and to make our annual reduction in war debt.

As I said a moment ago, to my mind war taxes should meet war expenditures. In 1927 and 1928 we had large reductions in the income tax, the sales tax has been reduced year by year, and in no financial statement that has been presented have we ever received sufficient revenues to meet war account. The income tax should be put back where it was before 1927. The sales tax is being continually reduced and it is one of the most direct means of raising revenue with the least expense. It often appears curious to me why we should be persistently reducing the income tax and the sales tax, while the customs tariff, the tax that the Liberal party specified they would reduce, has not received any material reductions during the life of this parliament. If the reduction in war taxes goes on each year, we will soon be faced with the fact that we shall have to take half the revenue derived from customs and excise duties to meet our deficit on war account. And then we shall soon begin to realize what Sir Thomas White meant when he said that the war debt, if it was paid, would be paid out of the top six inches of Canadian soil. If our war expenditures and the reduction of our war debt is to be paid through the customs tariff, we can readily see that the financial burden of the war is going to be placed on the shoulders of the people on the soil, because those on the soil bear most of the tariff burden.

The Minister of Finance says that the policy of this administration is not a high tariff policy, but a low tariff policy. But having said that, he at once proceeds to lower those forms of taxation which do not bear upon the tariff at all, and he leaves the tariff practically untouched. As far as this budget is concerned, it seems to be somewhat of a watchful waiting affair—watching to see what the United States will do at the next session of congress in regard to raising the tariff, and waiting to see how much political capital the Conservative party might make out of such a step if it were taken. To a certain degree I am somewhat in sympathy with this watchful waiting policy. If the government of the day ever had an excuse for not giving tariff reductions, perhaps it has a better one at this session of the house than it has ever had before during the term of this parliament. There are fields in which

the Minister of Finance could, I believe, have implemented some of the promises given in the Liberal platform of 1919, and one of these I believe to be the lowering of the duty against British goods. Although it might be advantageous to adopt a watchful waiting policy this session as regards the United States. I see no reason why it should not be to our advantage to lower the duty against British goods. Then, too, the policy espoused by the United States is to be directed largely, we understand, against agricultural products. There is therefore a large number of commodities with which they would not concern themselves, and I can see no reason why we should not proceed to give tariff reductions upon some of those commodities upon which the tariff board has already passed. It may be that the government has let the opportune time slip by for giving substantial reductions. I notice that some members on the government side of the house seem to entertain that view, judging by what they have said in this debate. They seem to be fearful that the golden opportunity has passed by. I quote from the speech made by the hon. member for South Huron (Mr. McMillan). Speaking in this debate, he said:

I urge upon this government that its duty is to proceed more rapidly along the lines of a well-considered tariff reduction. I urge them again that we can do this kind of thing only in periods of good times. We cannot do it in times of adversity. Now is the golden opportunity, and we should be taking advantage of it. Apparently, however, the government seem inclined to mark time.

The hon. member for South Huron is evidently getting anxious and somewhat fearful lest we have no tariff reductions this year. He almost seems to think that the government has sinned away its day of grace so far as tariff reductions during the life of this parliament are concerned. I notice also in the speech of the hon. member for Lisgar (Mr. Brown) a somewhat similar sentiment. He has this to say:

From the standpoint of the ordinary consumer I confess that there is not a very great deal in this budget; it does not contain much meat, of course, but we may be glad that it does not contain any poison.

The hon. member has evidently given up all idea of getting any meat from any of the budgets presented by the Minister of Finance, and is now willing to be thankful if only no poison is administered. I hope that the hon. Minister of Finance will bear in mind these expressions of his supporters when he prepares his next budget.