

would not have been found necessary and we could have thus avoided the tax on sugar.

In my opinion the whole business of taxing consumption more and more must cease, because the problem to-day is to increase consumption. The more goods that are consumed the better from every point of view. Obviously therefore this tax is in every sense unwise. It taxes one of the most essential articles in every household. It is a tax that will bear heavily on the mothers of this nation, who are trying to give their children nourishing food. I think it is more to be condemned than any tax which has been brought down, and I oppose it entirely.

Mr. DONNELLY: The Minister of Finance, in referring to this tax, said that it would have a salutary effect upon the people of the country in teaching them that the money which the government spends is their money and must be collected from them. He said that the people throughout the country had the idea that the government had an unknown source of revenue. If the people do think that, the government have no one to blame but themselves. Before the last elections the present Prime Minister went from coast to coast and told the people that if unemployment existed it was due to the Liberal government; that if they were getting small prices for their wheat, their butter, their bacon and a hundred and one other things, it was the fault of the Liberal government. He asked the people to put him in power and then there would be no more hard times. The people cannot be blamed if they think that this government have all sorts of money, and they cannot understand why it is necessary to tax them.

Let me say to the government that the people of this country know full well what it is to be taxed. The price of gasoline throughout the world is in the same position to-day as the price of sugar, the price of wheat and the price of other commodities—it is cheaper than it ever has been. In spite of this, the government has made the people of Canada pay from five to six cents per gallon more than they should have to pay. In 1931 the Standard Oil Company of New Jersey, along with all other gasoline companies, had a loss on their operations while the Imperial Oil Company, which handled about 300,000,000 gallons, made a profit of \$18,000,000. The other oil companies in Canada must have handled about 300,000,000 more gallons of gasoline and must have made another \$18,000,000. Thirty-six million dollars were taken out of the pockets of the people of Canada. Why does not the govern-

ment take off the duty on gasoline and put on a sales tax of about three or four cents per gallon? They could make \$20,000,000 and the people would not have to pay as much for their gasoline. The government will be making the money instead of the oil companies which send it down to the shareholders in the United States. The Imperial Oil Company sent \$12,800,000 to the Standard Oil Company of New Jersey. That is not red-blooded Canadianism. The Canadian people were taxed in order that the American shareholders in Imperial Oil might be paid. Why not tax gasoline and collect the money instead of having it go to the shareholders of the Imperial Oil Company and other oil companies throughout the country?

Mr. RALSTON: Mr. Chairman, I should like to refer to the point raised by the hon. member for Prince and referred to by the Minister of Finance. Apparently for the moment the minister lost his usual suavity; he seemed to be nettled by what had been said, particularly with regard to expenditures. The minister repeated the argument which he made in his reply a short time ago to the Canadian chambers of commerce when he indicated that the government had practised all possible economy. I shall not go into this to-night except to remind the minister and the committee that a very important and well recognized organ, a supporter of this government, took distinct issue with the minister on the very figures he mentioned to-night and on the argument he made. The *Montreal Gazette* of April 26 has an editorial headed, Finance Minister's Reply. After discussing what the minister had said, the editorial continued:

With all due respect to the minister, this conclusion is not justified by the facts which he presents. The substance of the case as presented in this circular letter had already been published in one or two newspapers. The *Gazette* discussed them at the time. It was stated then, and is no less true now, that no critic of the government desires to withhold credit for economies actually effected. The government has gone a considerable distance in this direction and the taxpayer has not been indifferent to the results achieved. Unfortunately, however, all this is very much beside the point. The representations made by the Canadian chamber of commerce, by boards of trade, and others, have to do, not with what the government has accomplished, but with what it has left undone. The fact that notwithstanding the reductions in expenditures already made the government has presented a bill to the people for another \$70,000,000 has had the very natural effect of directing attention to the possibilities of further retrenchment and the opportunities in this respect have been indicated specifically.