

no children at home—we used to have some, but they have all gone—and neither of us buys many new clothes, for we make the old ones do, so we would not be seriously affected by a tax of that kind. But what about a neighbour with say, six children? The cost of everything he buys for his children goes up by 3 per cent. There is one good thing that can be said about the Dominion Government's sales tax: the amount of it is stated on the bill that you pay. If your bill for goods is \$100, you see plainly stated that in addition there is a sales tax of \$8.

Hon. Mr. Bouffard: It has to be shown on the bills in Quebec too.

Hon. Mr. Haig: Then that is a point to the credit of Quebec. But ordinarily these provincial sales taxes are hidden from the people who pay them. Why should the governments of New Brunswick, Quebec, Saskatchewan and British Columbia desire to impose sales taxes? Either they are not spending their money wisely or they are giving too many services. The people of my province are seriously debating whether they would even agree to a sales tax. I hope they do not. I can find no newspaper which has given editorial support to such a tax. I think I speak for many members of this house when I say that it is something we should guard against. The Fathers of Confederation were wrong about many things, but I believe they were right in deciding that the provinces should impose only direct taxes. That seems to me a wholesome restriction, for it is designed to make sure that the people know where their government gets the money it spends, and which otherwise they are apt to think comes out of the sky.

The honourable member from Vancouver South (Hon. Mr. Farris) may say to me, "What is your remedy?" He is very clever at asking that kind of question. I do not blame him, for if I were sitting where he is I probably should ask the same question. Whether or not he would give the same answer that I do, I am unable to say, but I will suggest one or two things that can be done to help improve the situation. No doubt others will be able to make additional suggestions.

We have not seen this year's estimates yet, but we know what large sums were spent by the federal, provincial and municipal governments last year. I am persuaded that the dominion and practically all of the provinces, including my own, and most of the municipalities, if not all, can cut down many of their expenditures. I say that, honourable members, because these are not ordinary times. Why are we here at this moment? We are here because we know in our hearts that we are passing through one of the most

difficult periods in the world's history. I may be reminded that the world went through troublous times in the Napoleonic era and when Alexander the Great was pursuing his conquests. I may be asked if there was not a time when the Tartars marched across Europe. Did we not engage in a great struggle to defeat the Kaiser in World War I, and another great struggle to defeat Hitler in World War II? Yes, but I say the present is the darkest period in world history. I have two reasons for this.

In the first place, we are now facing a country of vast manpower that can ultimately be armed with the most modern weapons. Just think of some of the reports that have come out of Korea. One report—and I have no reason to doubt its accuracy—stated that before the Chinese took Seoul they deliberately sent their soldiers out to march over the mines that had been laid to protect the city, and troops kept coming on until all the mines were exploded and the army could then advance in safety. Apparently human life means nothing at all to them.

In times such as these it is our duty to urge governments to cut down expenditures to the very minimum, to save every possible cent—not only at Ottawa, but at Winnipeg, Quebec, Toronto, Fredericton, Halifax, St. John's and every other provincial capital—in order that we may make our maximum contribution to the public welfare.

Now I come to my second reason. The Governor of the Bank of Canada was reported to have said in a speech at Toronto—and I am surprised that a man of his ability should say such a thing—that taxes should be levied as a means of taking money away from the people. My opinion is that if there is to be a further tax levied it should take the form of a savings tax. That is to say, the money taken away from the people today will be given back to them at some future date. I believe that is one of the best ways of reducing buying power. Experience has shown that when the government announces heavier taxes the people decide to spend their money before it is taken from them. But if they could expect that in ten or twenty years—at the end of the struggle, whenever that may be—they would have their money returned to them they would show more co-operation. In my opinion that is the best way to draw off surplus earnings.

I was pleased that the government last September made a move to curtail credit buying. While some deserving persons will be prevented from getting credit, there are many to whom we must bring home the need