

much admired by this present Government. I recommend this method of obtaining revenue to the Minister of Finance. The income tax and the land tax he throws aside as broken reeds. Perhaps, following the example of Germany, if he will go over some of the contracts let by the Canadian Government during the last six months, he will be able to find a margin of profit to the manufacturers of these supplies, which might very well be divided up with the treasury of the country and still leave a very handsome profit to the contractors.

These are some of the objections we have to the proposal in this Budget as to a  $7\frac{1}{2}$  per cent increase on goods coming in from other countries. But let me say that while we object to this horizontal increase of  $7\frac{1}{2}$  per cent, because we do not on this side of the House believe it will bring about the desired results, because it will go largely into the pockets of the manufacturers and not into the treasury of the country; in all sincerity I say we might possibly try out this further tariff experiment, were it not for the fact that the Government has added this—I would not care to use the words that come to me to describe it—most reprehensible proposal to increase the preferential rate on goods coming from the Mother Country.

What is the situation which Canada and the Empire are confronted with? The Minister of Finance threw a very serious charge against members on this side of the House the other night, when he said that in his judgment there was not apparently among us a proper realization of the great gravity of the present struggle in Europe. Sir, it is because we Liberals do appreciate the gravity of that situation that we now propose to vote against increased obstacles to British trade, through the addition of an extra tariff of 5 per cent on British goods. Let it be distinctly understood that we do not do this in a challenge to the Government; we are not doing it with the idea of throwing down the gauntlet or placing a chip on our shoulder, because let me tell hon. gentlemen opposite that if they want to take this issue and this vote as a reason for an appeal to the people of this country, they will have to do it on their own responsibility. We on this side of the House will not share that responsibility. We refuse to share it, because when we did agree, as we did agree last August, to aid this Government in every possible way to carry on successfully Canada's part in the war, we did not agree at that time or at any time since, to conform our views to the present

proposal of the Government, that we can best play Canada's part by placing obstacles in the way of Britain's trade. Look at the present situation! The Minister of Finance says that this increased tariff against British goods really gives the British manufacturer a further preference in our markets over his competitors from other countries. The plain fact is that this increase in the tariff means another five dollars on every hundred dollars' worth of British goods coming into this country and that at a time when Britain's trade is staggering under a load which that trade has never before been called upon to bear. I sincerely and honestly say, that in my judgment this tariff proposal is the most severe blow at Britain's trade which she has received since the outbreak of the present struggle. What are the conditions? Britain is a great exporting country; her trade with Germany is cut off, her trade with Austria and Turkey is cut off, her trade with all foreign countries is necessarily hampered by the lack of transport, by the scarcity of labour, by higher ocean freight rates, and by the high cost of marine insurance. I should not be surprised had I the figures at hand, to find that the extra freight rates on account of the greater risk of war meant an additional obstacle of five or ten per cent in the way of Britain's exporting goods to Canada. Labouring under these obstacles at the present moment, and at the same time reaching out a helping hand to every one of her colonies that need her financial assistance, Canada, Australia, New Zealand, as well as to the weaker of the allied countries, Belgium and Servia; with this enormous burden upon her shoulders, and with the solution of the war based upon Britain's financial stability and strength, the foundation of which is her export trade to the other countries of the world, I say, Mr. Speaker, that we are striking at the very heart of Britain's strength when we undertake to put this extra obstacle against the importation of British goods to Canada.

The Minister of Finance replied to my right hon. leader in the the old familiar way, when he said that the enormous expenditures and terrible burdens of this country which he, as Finance Minister, had to meet, were the consequence of the policy of the preceding Administration, and he pointed particularly to our large expenditure in recent years on transportation facilities. That argument is our old familiar friend, but what are the facts? We know perfectly well that for the expenditure on the Hudson