

it is also proposed to constitute a board to investigate and study the various modes of taxation.

I shall not anticipate what may be said upon the legislation to be introduced by outlining its provisions at the present moment; I would like to point out, however, that this announcement in the Speech from the Throne constitutes an additional reason why the amendment of the hon. member for Centre Winnipeg is most inopportune and should not be accepted at the present moment. It is, amongst other things, to study and investigate just such modes of taxation as the hon. member has suggested, viz. the readjustment and extension of the income tax to bear more heavily upon unearned incomes, a direct tax upon unimproved land values, and the institution of a graduated inheritance tax on large estates, that the board is to be appointed. It might also inquire into the simplification of income tax returns.

Some have suggested that this board should be the one to which should be assigned the investigation and study of the tariff as well as all other modes of taxation. That, I think, is a suggestion deserving of the most careful consideration. There is much to be said for it, and much to be said against it. There is no reason, however, why the personnel of such a board might not, if thought advisable, be utilized in whole or in part in the manner suggested, either as members of a separate tariff board, or as a board on taxation including an investigation and study of the tariff along with other modes of taxation. That point, we are not, however, called upon to decide at the moment. It is sufficient for my present purpose to say that the government is of the opinion that expert and exact knowledge to be obtained in the manner mentioned should precede any general tariff revision, such as is suggested by the hon. member for Centre Winnipeg in his amendment, and that such revision should take into account the operation of depreciated currencies as well as other factors affecting the tariff.

I wish to say this, however. So far as the tariff changes of this year are concerned, and I say this more particularly to my friend from North Waterloo (Mr. Euler), these tariff changes were not made in the dark. There was nothing haphazard about them. There was no singling out of any one particular industry or of any one class of industries. It was simply carrying out the policy that was laid down at the general election, and which has been a part of the Liberal policy from the time the Liberal convention was held.

There is one point, however, I should like to make clear whilst speaking on this matter, and that is that a tariff board such as I

[Mr. Mackenzie King.]

have described, is not to be confused with a tariff commission, as some have suggested, which should operate wholly apart from the government or the Department of Finance, and which would take from the government of the day and this House of Commons responsibility with respect to the tariff to be imposed. It must never be forgotten that a customs tariff is a tax, and that the control of taxation is the supreme right of the Commons, and that the responsibility for taxation must be that of the government under which it is imposed. What is proposed and meant is a board for purposes of investigation and study of tariff problems which shall act in an advisory capacity to the government, it being recognized that with the need for revenue what it is to-day as compared with earlier years, to say nothing of the changed and constantly changing conditions of the world, and the increasing importance and magnitude of the country's business, there is need also for the most enlightened judgment in all matters of tariff policy.

I come now to the last of the reasons why the amendment should not be accepted, and why the government in the proposals it has brought down should receive the hearty unqualified support of all who regard a reduction in the cost of living and in production costs as essential features of Liberal and Progressive policy. It is, that taken as a whole, and in connection with what has been accomplished in previous budgets, both these aims are in large measure being achieved in the budget proposals before the House. I hope the House will give me permission to place on Hansard tables showing what has been done in that regard.

Let me touch upon this matter under three heads: What has been, and is being done with respect to first, duties on the implements of production in the basic industries, of agriculture, lumbering, mining and fishing; second, duties on the necessaries of life; and third, the exemptions under the income tax.

The total reductions effected in production costs through the reductions in duties upon the instruments of production are perhaps best shown in a descriptive statistical table which I have prepared and which with the permission of the House I should like to be permitted to have inserted in Hansard as it stands. It gives the rates of duties as they were when the present government assumed office in December, 1921, and the rates of duty as they will be when the proposed reductions go into effect, account being taken in this connection of such reductions as were made