

Now I come to the question of sugar. I think by this time the minister is convinced that this is not a popular tax; it strikes at everyone in the country.

Mr. RHODES: Can my hon. friend name a popular tax?

Mr. EULER: No, and I shall not attempt to do so, but I think I can suggest how this may be made a little less unpopular. The Minister of Finance gave as practically the only reason for imposing this heavy tax on sugar the fact that he needs money, and that is a very good reason. But I do not think the hon. gentleman was quite fair to himself or to the people when he rather made the suggestion that it was also a good thing in that it would impress upon people the fact that taxes must be paid. I particularly disliked the veiled reference—I think that is what it was—to the effect that this tax on sugar must be imposed because of the deficits on the national railways and the disadvantages of public ownership. If I am wrong in my understanding I am ready to accept the minister's denial, but it did seem to me that this suggestion ran through his remarks in that connection. While it is necessary for the minister to impose heavy taxes I think the principle must appeal to him and to everyone else that while they must be heavy they should be made as equitable and fair as possible, and that they should not rest too heavily upon any particular class in the community. This tax of two cents on sugar amounts to practically fifty per cent of the value of the article, a very heavy tax indeed; it strikes at everybody, and this is an article of food. I think it is very regrettable, though perhaps in some degree necessary, that we should have taxation on food. Perhaps the minister is right when he says that if we suggest that this tax should be cut out we should make some suggestion as to how that money should be made up, and the minister intimated that it would be necessary to impose some other tax. There is still another possibility, and perhaps when I make this suggestion I may incur the displeasure of some of my hon. friends on this side of the house. I would suggest to the minister that it would be fairer to cut this sugar tax in half and wipe out what is known as the stabilization fund, which I consider absolutely wrong in principle and discriminating in favour of only a few commodities and a few people. I think if we took off one cent of the tax on sugar, leaving it at one cent a pound, and did away with the stabilization fund it would be more popular and more just and equitable to the people of this country.

That is my criticism of the sugar tax, Mr. Chairman. Now I should like to say a word or two on behalf of some industries to which the hon. member for Prince referred. Let us take for instance confectioners, those who make candies and so on. These may be regarded as luxuries, and perhaps those who manufacture them will not therefore receive much sympathy with regard to the tax on sugar. But this represents a very heavy item of expense to them; I think they have made certain representations to the government and perhaps to the minister with regard to this tax. I have some sympathy with them. They have a pretty difficult situation to deal with just now because they are practically all in the red. But what concerns me particularly now is this. The minister originally placed a tax of two cents a pound on sugar and by his amendment he has put the tax on another raw material in the form of glucose. I wonder whether he is trying to punish people for having the temerity to come and plead for a reduction in the sugar tax. Is he going to punish them by placing a tax on glucose, adding another burden to an industry which is already overburdened?

Mr. RHODES: Whatever my weaknesses may be, and I am the first to admit that I have many, vindictiveness is not one of them.

Mr. EULER: I don't believe it is either; I do not seriously attribute vindictiveness to him.

Mr. RHODES: Taking the confectionery business by and large, two cents a pound on sugar will have a comparatively trifling effect on the cost of confectionery. The difficulty in which that industry finds itself to-day is the difficulty that faces many other industries. It is not a question of the amount of tax imposed on sugar or on some other commodity which the industry uses, but the fact that the purchasing power of the people has been very much reduced, and naturally the first commodity to be affected is what may be termed a luxury. It is true that confectionery is in a sense a food; nevertheless it is classed, and I think properly so, amongst the luxuries. We all know that in more prosperous times, when people have plenty of money, industries such as the manufacture of confectionery flourish. While it may be true that the confectionery industry is, as my hon. friend observes, operating in the red to-day, I can point to industry after industry not only in this but in other countries—essential, basic industries, not including agriculture but purely manufacturing industries—which are also operating in the red. But they, along with