

have been appointed a year or eighteen months ago. I support the appointment of the royal commission, yes, but I say that the government is to be censured for not having taken long before this some step in relation to currency and banking and monetary problems.

I want to refer for a few minutes to the taxation provisions of the budget. Before I do so, let me say that the statement made by the Minister of Trade and Commerce (Mr. Stevens) this afternoon to the effect that the hon. member for Shelburne-Yarmouth (Mr. Ralston) and every member of His Majesty's opposition are opposing every provision of this budget by supporting the amendment moved by the hon. member for Shelburne-Yarmouth is not a correct statement.

Mr. MACKENZIE (Vancouver): It is nonsense.

Mr. ILSLEY: Moreover, there was a misstatement of fact by the Minister of Trade and Commerce this afternoon which I should like to draw to his attention. He stated that the member for Shelburne-Yarmouth approved of nothing in the budget, and in particular he mentioned that he was opposed to a reduction of the valuation of the pound sterling from \$4.40 to \$4.25. Now the hon. member for Shelburne-Yarmouth very distinctly stated in express terms that he approved of that. At page 3379 of Hansard of March 24, 1933, which contains the speech of the hon. member, he said this:

I am glad indeed that the Minister of Finance has seen fit to alter the rate of exchange and at least to make the fixed rate at \$4.25 instead of \$4.40. That indicates two things, that he is recognizing, I think, the representations which have been made in this country, and also the representations which have been made from Great Britain; but I say to him that I do not think there is anything more fundamentally wrong than that exchange dumping duty which he and the government of which he is a member pledged themselves to remove as soon as possible after the Imperial conference.

There are provisions in the budget, of course of which we on this side of the house approve. There are provisions in every budget of which we approve. If I were asked to criticize the provisions of the budget which ensure that the holders of bearer bonds will pay income tax, I could not criticize that.

Mr. MACKENZIE (Vancouver): The suggestion came from this side of the house.

Mr. ILSLEY: Yes. Nor could I effectively criticize the provisions of the budget relating to the taxation of foreign investors, although there may be some objection to that of which

I do not know. Indeed, if it is necessary to raise immense sums of money by way of taxation, we all realize that taxes must be imposed. I just have this to say about the general principles of taxation. The imposition of the sugar tax meant the imposition of a terrific burden, a forty or fifty per cent tax upon a necessity in daily use by the poor people of this country. It was the sort of tax that should not have been resorted to except in case of great extremity. What occurs to me is this, that perhaps that extreme tax should not have been resorted to until something more was done in the way of taxing more heavily the higher incomes. I realize that many of the higher incomes in this country are pretty heavily taxed at the present time, but the old argument that you must not take all of a man's income over a certain amount because that would deprive him of his initiative is now passe. The country is in such a condition to-day that I personally do not see any objection to taking the whole income above a certain ample exemption figure, and the government should have gone very far toward doing that before they had recourse to a terrifically heavy tax, forty or fifty per cent, on a necessity such as sugar.

Certain circumstances in connection with the imposition of that tax have embittered the people. A tremendous amount of profiteering is taking place in sugar from one end of the country to the other. I am in touch with the province of Nova Scotia, and the complaint is universal that in some way or other dealers laid in stocks to take advantage of the tax at once, and are profiteering on sugar to a tremendous extent, making large profits on the stock they laid in. That, sir, is all I have to say with regard to taxation.

I pass now to what I should like to speak about for the remainder of the time I propose to take, and that is the feature of the budget which is called by the Minister of Finance the agricultural stabilization fund. What is this agricultural stabilization fund? It is a high sounding term, but all it means is that an export bonus is to be paid to the exporters of certain commodities, thirteen in all, which go to the United Kingdom market. In order that the record may be complete let me read them:

Animals, meats (including bacon and hams), poultry, fresh fish, canned fish, tobacco, cheese, milk products, canned fruits, canned vegetables, maple products, eggs and honey.

The exporter is to be paid the difference between the value of the pound sterling at the time of shipment or at the time of remittance and \$4.60. If the pound sterling, for