

Mr. SPEAKER: Order.

Mr. McMASTER: You will be glad to know, Mr. Speaker, that my few remarks have developed the keenest sense of humour on the part of some hon. gentlemen opposite. Well, the Western farmer gets up very early, my hon. friend from Victoria (Mr. White) tells me, and let us say that he needs woollen underclothing.

Some hon. MEMBERS: Hear, hear.

Mr. McMASTER: The woollen underclothing, let us say, comes from England, and it pays a duty of twenty-seven and a half per cent. Let us suppose that the shirt which the farmer is putting on came from a Bradford manufacturer and was invoiced to the importer in Montreal at \$24 the dozen, or \$2 apiece. On the arrival of the goods in Montreal, the importer pays the insurance and freight, which, let us say, amounts to five per cent, and he in addition advances the duty of twenty-seven and a half per cent. Supposing the shirt costs \$2. Very well, five per cent on \$2 is ten cents, and twenty-seven and a half per cent on \$2 is fifty-five cents, making a total of \$2.65. Then the department head of the importing house calculates the profit, and let us say he puts on a profit—my friends in the dry goods business will say whether this is right or wrong—of twenty-five per cent. He calculates this profit, not on the invoice price of \$2, but on the \$2 plus the cost of freight and insurance, 10 cents, and plus the duty 55 cents, and we therefore find that when the Western retailer buys this shirt he pays \$3.30 for it. To that should be added 5 cents to cover expressage, and the shirt laid down in the small town near which our farmer lives comes to \$3.35. The Western retailer has to make his overhead expenses and his profit, and in order to do that he adds 30 per cent, so that shirt costs our farmer \$4.40. Out of this amount the Government has received 55 cents by way of duty, but the amount by which the duty has increased the cost to the consumer is a great deal more than that, because the importer who advanced the duty in the first place has to have his profit on it, and the retailer who handled it in the second place has to have his profit as well. Therefore, if you work the sum out, omitting the duty altogether, and giving the same profit to the wholesale importer and to the retailer, you will find that there has been 95 cents added to the price of the shirt attributable to duty, and out of this only 55 cents has gone into the treasury of the nation.

I submit for the kindly consideration of the Acting Prime Minister and Minister of Finance that that is a very expensive way to raise a revenue. If the goods come from the United States, the duty is higher and the amount of profit realized on the duty, advanced in the first place by the importer, is higher also. Now, putting on his socks—

Some hon. MEMBERS: Oh, oh.

Mr. McMASTER:—he finds that they are taxed. I do not know, Mr. Speaker, whether it is my friends the Western men that are laughing—

Some hon. MEMBERS: Oh, no.

Mr. McMASTER: I do not think it is, because, if so, they will not laugh very loud when their constituents find out that they turn to derision any economic argument advanced with the endeavour to reduce the heavy burden upon the Western consumers, as well as those in other parts of the Dominion.

Now, to return to the socks, Mr. Speaker. If they came from England they would be taxed 22½ per cent, and if they came from the United States they would be taxed 32½ per cent;—I am mistaken, I have got ahead of my story. I should have mentioned the boots. If they came—

Some hon. MEMBER: You put the socks on first.

Mr. McMASTER: Mr. Speaker, in a dreary and dry subject like this it would be always a pleasure if my neighbours on the opposite side who have any remarks to make would make them in such a tone that I might have the advantage of them.

Now, the man pulls on his boots. If they came from England they were taxed 22½ per cent; if from the United States, 32½ per cent, and if they were made by a Canadian manufacturer I beg leave to suggest that you will find their price was just a little under what they could have been produced for abroad and brought into the country, freight and duty paid.

Mr. EDWARDS: I should think he had better put on his pants before he puts on his boots.

Mr. McMASTER: After our farmer is up, Mr. Speaker, he steps across a strip of carpet which was taxed 42½ per cent, and then he walks over his linoleum or oil cloth, which came from the United States, each of which is also taxed 42½ per cent; and as a great proportion of the articles used in the Canadian northwest come