

That the best interests of Canada will be served by an immediate and substantial reduction of the tariff on the necessities of life including foodstuffs, clothing and building materials;

And further that it is desirable.

(a) That the income tax should be so readjusted as to bear more heavily on unearned incomes;

(b) That unimproved land values including all natural resources should not be exempt from taxation; and

(c) That a graduated inheritance tax on large estates should be considered.

There are several reasons why it seems to me the amendment should not receive the support of hon. members and why the government is unable to accept it. In the first place, it commits us, as I have indicated, to new methods of taxation or to alterations in existing methods. Apart altogether as to whether such changes might or might not be in the national interest, I submit that there has been no opportunity given either the government or the House to consider their possible operation and effect. I shall not question, Mr. Speaker, your ruling to the effect that the amendment is in order. I doubt if it would have been so ruled save to permit of greater freedom of discussion in debate, but I would submit that the grounds are very strong for rejecting any amendment to the budget which commits the House and the country to forms of taxation into the possible consequences of which neither the House nor the government has had opportunity to inquire. As I say, the proposals may be good in themselves; each of the proposals made has much to commend it, and something to be said against it, but this is not the time nor the occasion to pass upon them.

In the second place, the amendment, I think, fails to recognize some of the existing conditions of which account should be taken just at this time in any extensive revision of the tariff with respect to the so-called necessities of life, conditions of which the government has been fully cognizant and has taken very fully into account. Not a little has been said in the course of this debate of the effect of depreciated currencies in countries overseas upon the price of many articles which materially affect the cost of living; boots and shoes, textiles, clothing, foodstuffs and the like, have been mentioned more particularly. It has been pointed out that where articles are imported from countries whose currencies are depreciated the effect of the tariff remaining as it is, is to permit what is equivalent to reduction in the existing duties.

I may say quite frankly that the government has recognized the existing situation in this regard. We agree that in their operation, the one upon the other, the two are inter-related.—the effect of the tariff and the effect of depreciated currencies.

We recognize further that the matter is a very involved one requiring the most expert and minute examination, an examination which the Department of Finance as at present organized is not in a position to give.

To the manufacturers and dealers who have been urging us to increase the tariff on account of the effect of depreciated currencies abroad, we have frankly said such a step could not well be taken at this time without considering the whole question of tariff revision with respect to the necessities of life. That by refraining from any general downward revision, such as is suggested in the amendment of the hon. member for Centre Winnipeg (Mr. Woodsworth), we were, while recognizing the effects of depreciated currencies, meeting them in a manner which seemed equitable and just: and similarly I would say to my hon. friend, and those who may have thought of supporting his amendment, that by refraining at this time to grant additional tariff considerations to manufacturers in this country to offset the additional competition which has come through depreciated currencies overseas, we have in effect, in addition to what we have already done in reducing duties on the necessities of life, been giving to the consumers of Canada the full benefit of whatever in this regard may be to their advantage.

May I at this juncture say that the government is in sympathy with the view which has been expressed by many hon. members in different parts of this House, that there should be in the Department of Finance, in addition to the one or more persons who at present act as advisers to the minister on tariff matters, other persons with special knowledge or specially qualified to obtain exact information with respect to just such questions as the operations of depreciated or appreciated currencies upon the tariff, and the operation of existing tariffs and suggested or needed tariff changes, upon industry and upon revenue: a body of experts to be known as a tariff committee or a tariff board, or by some other suitable designation, whose duty it will be to give continuous time and attention to tariff matters, so that the Minister of Finance, in making his tariff proposals or suggesting tariff revisions to the House may do so in the light of the fullest expert and exact knowledge of the situation in all its bearings.

Hon. members will have noticed that it was announced in the Speech from the Throne, that:

Legislation will be introduced making provision for consolidation of the revenue collecting services of the government under one administrative head. With a view to simplifying and improving the existing system,