

The Budget—Mr. J. A. Ross

of editorials appeared in many papers across the country. I think the minister probably will have read them. The one to which I wish to refer appeared in the *Globe and Mail* of Tuesday, March 6, 1951, and its heading is "Garson vs. Garson". The editorial reads:

Justice Minister Garson was in a placatory mood last week when he addressed the Montreal reform club. Speaking of the proposed constitutional amendment, which would enable the provinces to finance old age pensions by means of a turnover tax on gross retail sales, he denied allegations that the federal government was trying to foist it on any provincial government. It was completely up to the provinces, he said. Some would wish to impose such a tax, some would not. Of those which were anxious to enter the field of indirect taxation (now barred to them by the B.N.A. Act) he declared: "They have good reasons . . . Over the recent years the demands for provincial and municipal services, and the costs of satisfying such demands have both increased very greatly."

It is curious to find Mr. Garson defending the general idea of indirect taxation by provincial governments. Just a few years ago, when he was premier of Manitoba, he was frankly hostile to indirect taxation by any authority. On August 7, 1945, he told the dominion-provincial conference:

"Direct taxes are imposed upon the basis of known ability to pay. It is therefore a progressive tax. Indirect taxes fall on the poor with greater severity than on the wealthy. The indirect tax . . . is proportionately more to the man whose income is small than to the man whose income is large. It is therefore a regressive tax."

In another speech given that day, he warned the federal government not to finance its postwar program with "indirect taxes which retard business, minimize consumption and bear with unusual severity upon the poor." The same appeal is to be found in the opening paragraphs of the province of Manitoba's submission to the conference, presented January 26, 1946.

By April 30 that year Mr. Garson was denouncing the federal government for its extensive use of indirect taxes during the depression years. "In the 1930's," he said, "it was the undue reliance upon indirect taxes on staple articles of everyday use which so seriously curtailed the quantity of goods which could be purchased by families with low incomes . . ."

In the same speech, he charged that the federal government's "business-destroying, depression-creating" tax structure, based too heavily upon indirect taxes, had "bankrupted marginal enterprises by taxing costs regardless of whether such enterprises were making profits, and thereby discouraged enterprise, investment and employment."

There is nothing wrong with these arguments. This newspaper supports them, and because it supports them, opposes a provincial turnover tax as a means of financing pensions or anything else. Like most indirect taxes, it is unjust, restrictive and regressive. Premier Garson saw that in 1945-6. Justice Minister Garson doesn't see it in 1951—or maybe he prefers not to see it: whichever is unimportant.

Mr. Stick: The same man?

Mr. Ross (Souris): Yes, the same man in a different capacity.

The important fact is that Mr. Garson is now looking for an easy way out of the federal government's difficulties. If it can fob off the provinces with a shoddy tax deal, it will feel that it has managed to shelve the fundamental issues of welfare, reform and jurisdiction for an indefinite time, perhaps for a generation.

The people of Canada do not have to accept this shabby evasion of responsibility. They can take their stand simply by instructing their member of parliament to vote against the constitutional amendment.

Now, Mr. Speaker, I come to another phase with which I should like to deal, so if I may I will leave this where it is and with your permission move the adjournment of the debate and ask you to call it eleven o'clock.

Motion agreed to and debate adjourned.

BUSINESS OF THE HOUSE

Mr. Fournier (Hull) moved the adjournment of the house.

He said: Tomorrow we will continue this debate.

Motion agreed to and the house adjourned at 10:55 p.m.