

which have been practised in private business in Canada. The reduction in the cost of administering the federal government has been so slight as to be almost unobservable.

Only a few evenings ago when the estimates for the Department of Trade and Commerce were before the committee I pointed out that on steamship services for the carriage of mail which in 1929 used to cost this dominion \$530,000 a year, this government is deliberately paying on the Atlantic and Pacific services \$1,200,000 a year, or an excess cost of \$700,000, an increased expenditure which is absolutely unjustifiable and for which no excuse can be offered, with the exception that the Minister of Trade and Commerce has said that a very superior type of service was given and that the boats could not maintain the service without government help. I say to the Minister of Finance that if he will search his estimates he will find very little evidence of a sincere desire on the part of his colleagues substantially to reduce expenditures.

May I refer to another item which appeared in the estimates. The research council, which was started some years ago, was given a building in which to carry on and to co-ordinate all research activities of federal departments. The present Minister of Trade and Commerce supported the idea of consolidating research work. The Prime Minister took a similar attitude. Yet to-day in this city of Ottawa, with the research building completed and with every opportunity to consolidate research activities we have deputy ministers refusing to get together for the purposes of consolidation when by such action they could save millions of dollars. I defy any man in the house to tell me that there has been a sincere effort to coordinate the research of the various departments of government. There are thirty-four separate laboratories in the city of Ottawa which should all be consolidated, now that the premises are available. The Minister of Finance knows this, as does the Prime Minister. All along the line in departmental work the deputy ministers are controlling the situation, and are not allowing the government to reduce expenditures as is being done in private business. We have come to the point in Canada where we ought to listen to the remarks of the senior member of the house, the hon. member for Bonaventure. We have come to the point where ministers of the crown do not control the situation. Between the Civil Service Commission and other organizations we are fast becoming the victims of a bureaucracy. Unless we give the ministers the right to control their

departments and to reduce expenditures as they think they should be reduced, the Minister of Finance will have a mighty sorry task trying to meet the fixed expenditures of the country.

We quite admit that \$20,000,000 taken from the pockets of the people by a tax on sugar is a very unpopular tax. The minister says he knows it, but that it is done from necessity. I want to join with my hon. friend from North Waterloo in saying that a man who received five dollars from the Minister of Finance in 1926, 1927 or 1928 for interest on a \$100 bond could buy with that five dollars about four bushels of wheat. He could not then buy 120 pounds of sugar or ten bushels of wheat as he can to-day. If the minister and the government present the argument that they are facing the worst economic condition the world has ever seen and that because of that widespread condition they are obliged to take this course, then I say that the very seriousness of the situation demands serious remedies. I do not think it is right to ask the common people of this country, whose earnings have been reduced, to pay a tax on sugar to the extent of \$8 or \$10 a family. I do not think it is right to ask industries, practically all of which are in the red and have lost their reserves, to pay higher corporation taxes which they cannot earn, while at the same time men who never at any time expected to get such enormous returns in purchasing power from interest on their bonds are permitted to get those returns at the expense of people who have no money. The time has come when I believe some very drastic step has to be taken to produce what my friend from Vancouver Centre calls equality of sacrifice. The biggest load we have to carry is our bond interest. Wages, pensions, interest on public debt—all these things if they have to be reduced should be reduced together. It is not good enough to cut pensions and cut wages and at the same time allow the holders of \$2,500,000,000 in bonds to get a return on their money altogether out of proportion in value to that received in 1928.

I want to say another word to the Minister of Finance in connection with his claim that he has reduced expenditure. So long as this rate of expenditure is maintained, without the large revenues which we had in 1928-29 when times were good, so long will the minister have to face intense criticism on account of the fact that some of the wealthiest people in this country—not ordinary business men but men of great wealth—have gathered in tax free bonds which were not originally bought