

The Budget—Mr. J. A. Ross

and washing machines were at the same time considered luxuries.

Mr. Ward: What is the tax on liquor?

Mr. Ross (Souris): I cannot tell you exactly what the tax is now. It probably is fairly heavy but I can tell my hon. friend that the taxes on liquor so far have not in any way decreased consumption in this country. I think he will agree as to that. In fact, if he asks me about that I will tell him what happened in our own province. Coming from Manitoba, he probably knows as much about it as I do. At the time of the baby budget last September an additional tax was imposed on liquor and on hops and so on for beer. I forget the exact figure but it amounted to one and a fraction cents on a bottle of beer. Notwithstanding that, the provincial government imposed a tax of 4 cents on a bottle of beer to take care of that. That is a fact. I think that was a pretty heavy tax but following that the consumption of beer increased in the province of Manitoba. I think it is a fair assumption that no harm would have been done by imposing extra taxes on alcoholic beverages at this time, and I am not one who advocates taxing anything when it is not necessary. If one has to make a decision on these matters, I think it would have been beneficial to young people attempting to set themselves up in their own homes, as well as to many other people in this country, if a tax had not been imposed on articles which are so essential in setting up a home. Those of us who might want to buy liquor or to have the authority to buy it—

Mr. Stick: Or get married.

Mr. Ross (Souris): Yes—would not mind having to pay an extra tax there. However, that is just a personal observation. My colleague, the financial critic of our party, this afternoon referred to an article appearing on the editorial page of the *Winnipeg Free Press* of Thursday, April 12. I want to quote a portion of the article again. It reads:

But if the underlying truths of this budget are examined it will be seen that the government's courage has outstripped its sense of reality. The budget in fact is a contradiction. Mr. Abbott stated the issue with clarity but he did not face it. "Two great issues face the world today," he said. "They are the pursuit of peace and the control of inflation." The budget figures document that statement to the hilt. But the budget itself contains no answer. Of the total outlay of 3,700 million dollars, expenditures on defence will be \$1,662 million. This represents the pursuit of peace and is not to be criticized. The balance of \$2,036 million represents the other of Mr. Abbott's great issues—the control of inflation. This vast outlay is for non-defence, for government services of one kind or another. How great it is may be gauged by the fact that in 1945-46, the first year of peace, the corresponding expenditure was only 1,062 million dollars.

[Mr. Ross (Souris).]

There is more to the article. It is quite lengthy. I think any hon. member would do well to read it because it sets out the matter very well, and certainly points out what little help the budget will be to those who find the cost of living burdensome at this time. In fact the whole budget will greatly increase the difficulties faced by the people today. It does nothing to assist them. I have heard references to my right about the proposed provincial sales tax. In that respect I was very disappointed that just a few days ago the province of Manitoba saw fit to pass enabling legislation which would give them power to impose a provincial sales tax of 3 per cent. True enough, the attorney general and the premier pointed out that they had no intention of imposing that tax in the province but that it was enabling legislation to assist other provinces and the agreement to be made later with the federal authorities if such becomes a fact. Nevertheless I was disappointed that our provincial government would even pass that type of legislation.

Mr. Garson: I am sure my hon. friend wishes to speak accurately in this connection.

Mr. Ross (Souris): That is correct.

Mr. Garson: Is he not referring to a resolution which was passed by the Manitoba legislature approving of a sales tax constitutional amendment? I would point out to him that resolution is not in any sense enabling legislation, and that Premier Campbell has announced that in fact he has no intention of using that power even if it were granted.

Mr. Ross (Souris): Mr. Speaker, I have already said that both Premier Campbell and the attorney general had stated that they had no intention of using that power.

Mr. Garson: It is not enabling legislation. It is just a resolution approving of the constitutional amendment in question.

Mr. Ross (Souris): That is true, a constitutional amendment. I understood from the discussions arising from questions put by other members to the Minister of Justice (Mr. Garson) that these resolutions were required from the various provinces before the amendment could be undertaken. Am I wrong there?

Mr. Garson: You are wrong in that also.

Mr. Ross (Souris): I still dislike very much the fact that our provincial government has passed such a resolution, and it was by a very close vote. Now that the Minister of Justice has raised the question, I have an editorial here dealing with the federal sales tax as well as the matter to which we have been referring. A short while ago a number