

Hon. Sir JAMES LOUGHEED: Has my honourable friend any political anesthetic that he can administer?

Hon. Mr. FOWLER: They are so stunned now by the actions of this Government, without any further paying.

Hon. Mr. DANDURAND: The anesthetic has been applied since 1867. We cannot go further back, because our existence dates from that year.

Hon. Sir JAMES LOUGHEED: But your surgery is not as skilled as that of your predecessors.

Hon. Mr. DANDURAND: Of course, the situation is not the same. I do not know of any greater anesthetic than indirect taxation. It is extraordinary how the people will accept and bear burdens that they do not see clearly.

Hon. Sir JAMES LOUGHEED: But they see this.

Hon. Mr. FOWLER: You forgot that now they are getting both, and a double dose of both.

Hon. Mr. DANDURAND: Of course, a new principle is being introduced, which makes the taxpayer realize what he is paying in certain directions; it is direct taxation, and it has the advantage of linking the taxpayer with the administration of his own Government. So long as it is indirect taxation he will carry the load, make his purchases, and pay his taxes indirectly; but when the bill is presented to him he begins to put on a double pair of spectacles.

Hon. Sir JAMES LOUGHEED: He will be glad to know that.

Hon. Mr. DANDURAND: There is perhaps an advantage in the Income Tax, because I have noticed that since we have had it the people seem to be far more wide-awake as to the expenditure of the Government, and the why and wherefore. I would only hope that all the people of Canada would be reached in some way, even if it be very light, in order that they should realize that they have an interest in the good administration of the country.

Hon. Mr. GORDON: But in connection with this Bill you will find that, so far as the Sales Tax is concerned, the whole dose is being administered at once, whereas before it was distributed, as in the case of a man paying municipal taxes, who is allowed to pay in instalments, perhaps four times a year in place of one. What I suggest is that you are

Hon. W. B. ROSS.

taking away the painless method, and submitting others that are painful. I believe that this Bill should not be passed without going through the Committee stage.

Hon. Mr. FOWLER: I cannot allow the observations of the honourable leader of the Government to pass without pointing out to him that indirect taxation has other virtues than simply that of being an anesthetic. It places the burden of taxation where it should be, upon the spendthrift, and not so much upon the industrious man. Indirect taxation penalizes the spendthrift and the waster, and rewards the industrious, frugal, economical man, whereas direct taxation, on the other hand, remits from its burdens the waster and the spendthrift, and penalizes the honest, economical, industrious man. That is the difference between direct and indirect taxation; but unfortunately we are now getting a dose of both direct and indirect. That is why the burden is being felt so greatly by the people. I hope the Government will establish a distinctive stamp for these taxes.

Hon. Mr. DANDURAND: That is provided for.

Hon. Mr. FOWLER: Because you cannot tell what any particular tax is producing without distinctive stamps. The Postmaster General throws out his chest and says, "Look how the revenues of the postoffice have increased during my regime," whereas those revenues have increased because of stamps purchased under the Stamp Act, altogether outside of postage. It seems to me that is very unfair, and should be changed. I can understand that it is very convenient not to have to keep a supply of special lines of stamps. After all, the convenience of the public ought to be considered, but when the system is clouded as to knowledge in another direction, it ought to be changed.

Hon. Mr. DANDURAND: That will be so on the first of October next.

Hon. Mr. FOWLER: I am very glad. That will reconcile me to some of the disagreeable features of that Act. Is it the intention to have a separate stamp for each separate thing?

Hon. Mr. DANDURAND: There will be an excise stamp only, which will be very plain, and different from the ordinary postage stamp.

Hon. Mr. FOWLER: Will the use of the postage stamp for the excise tax be absolutely prohibited?