

I regret to see that my time has almost expired, because there are in the budget a lot of items to which I should like to have referred, for example, the income tax, the tax on sugar, and the proposal to take pensions away from members of the civil service who are in receipt of them. I have not time to deal with those except to say that I trust the minister will give the most sympathetic consideration to the representations that are being made to him by the representatives of the returned men. In most cases it would be very unjust to take away from a civil servant the pension which he is receiving. There may be some cases where this is justified, but I am not at the moment prepared to say definitely.

In the few minutes left to me I want to suggest to the minister that he is really not very wise in attempting to balance the budget at this time. This will need too drastic increases in taxation, and taxation has already been carried to the point where it is hampering if not destroying business. Our first task should be to raise price levels. May I point out to the minister that this year our ordinary expenditure is about \$364,000,000; unemployment and special expenses, \$49,000,000; Canadian National Railways deficit, \$53,000,000, or a total of \$446,000,000. In 1928 the revenue collected was practically \$460,000,000, or more than equal to the amount the minister needs this year. If he will take the necessary action to raise the price levels within a reasonable distance of the 1928 point, we can increase the revenue, reduce the unemployment relief payments, reduce the Canadian National Railways deficits, and in that way we shall have a balanced budget. It will take only a couple of years to do that; and I suggest to the Minister of Finance that he drop some of these nuisance and burdensome taxes, for instance the tax on sugar, and direct his taxation system in a way that it will not dry up the buying power of the people, because after all business depends upon that buying power. The amount of trade and commerce carried on in Canada will determine the revenues of the government. We are making taxation much too heavy and the minister would be well advised to allow the deficits to stand for a year or two. When we get back even to the 1926 or 1928 price level, the government can create surpluses to cover these deficits which are now accumulating. To do this will necessitate the establishment in Canada of a national money policy. I know some people say that we dare not do this. I ask: Dare we not do it? Can we

wait any longer? If Christopher Columbus had been as timid as are some of our Canadian bankers and public men, America would still be in the hands of the Indians. Let us be courageous enough to initiate a national money policy for Canada, one which will enable us to restore price levels and give our people a chance of employment and to earn their own living, thus enabling us really to raise the standard of living in Canada higher than it has ever been before. This is possible if we are determined to get it.

On motion of Mr. Stevens the debate was adjourned.

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

The house in committee of supply, Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

Royal Canadian Air Force—all expenses in connection with the general maintenance of the air force, including training personnel for civil aviation, and provision of the necessary facilities therefor; also

Civil Aviation—all expenses in connection with civil aviation, including the control of commercial and private flying, construction and maintenance of airways and aids to air navigation, airship bases and flying clubs, etc., \$1,600,000.

Mr. ROSS: When this item was previously under consideration I had a few remarks to make on this subject in general. I think we are agreed that a certain amount of money must be spent on defence, and if that money is to be spent I think the house will spare a few minutes to consider what is the greatest necessity in the way of defence.

I am not putting myself up as an expert, but I think we should consider what progress has been made in aviation, and how it is likely to affect us. The old conditions which existed at the time of the last war will never recur. Men are not going to be placed in great masses and be stalemated without any result. I should like to bring to the attention of the committee a few of the important changes that have taken place.

During the great war Germany had at most thirty-eight aeroplanes with which to make a raid on London; to-day she can mobilize one thousand aeroplanes. Moreover, these aeroplanes can now fly a distance of from one to two thousand kilometres, carrying a load of bombs weighing up to three or four thousand kilograms.

The committee may also be interested in the number of aeroplanes available in the different countries. It is said that France has