

he so earnestly desires this House to look upon these tariff measures as war taxes to pay for Canada's participation in the war.

I question the expressed object of this legislation, namely, that it is for the purpose of raising a larger revenue to meet the extraordinary expenses incurred by Canada in connection with the war. If this tariff increase were put on expressly for the purpose of raising a revenue, in my judgment that increase would consist not of a flat increase in the duties on all imports coming into the country, but of a tariff rate graduated to meet the conditions prevailing in respect of each of the various classes of imports proposed to be taxed. We are asked to approve an increase of 7½ per cent on practically every class of goods entering into Canada from foreign countries, and an increase of five per cent as against goods coming into Canada from Great Britain. This method of dealing with the tariff does not seem to be consistent with the principle that the imposition of tariffs is a scientific method of obtaining a revenue. Nothing so surely refutes the Finance Minister's contention that these tariff increases are intended merely to raise a revenue to meet war expenses, than the very manner in which they are made. The hon. gentleman should know that some articles coming into this country will stand a higher rate of duty than others; this is particularly applicable to articles that are not produced in Canada. What will be the logical result of this unscientific method of raising revenue? The Finance Minister says that his proposals are made for the purpose of creating a revenue. Granted. But if these tariffs do not bring about the desired revenue; if they fall short of the object which it is proposed they shall accomplish, what then? My hon. friend the Minister of Finance said the other night: I see my way through this very difficult financial situation; I saw my way through it last August, and I see my way through it now. If the hon. member has such clarity of vision, no doubt he will be able to tell the House and the country what kind of proposals he will bring down to the House if his present tariff proposals do not produce the desired revenue—that is, if it is the will of Providence that he have the privilege of presenting another Budget to this House. A great many articles coming into Canada will now be taxed as high as 42½ per cent; yet we have absolutely no ground for believing that this new tariff legislation is going to produce the additional

[Mr. Neely.]

revenue that the Minister of Finance desires. If it does not, what shall we do next? Shall we have another 7½ per cent general increase and another 5, 10 or 15 per cent increase in the British preferential rate? To what follies would the protectionists lead the people if they had their way without let or hindrance, and were able to carry out their policy to its logical conclusion? In my opinion, the logical result of their policy would be in the creation of a tariff wall so high that no imports could come into Canada to compete with similar articles manufactured or produced in this country.

We on this side of the House regret the necessity of differing with the hon. minister and of questioning his motives, but we doubt whether it is really intended that these tariff proposals will increase the revenues of this country.

But whatever other effect they will have they will certainly and surely increase the cost of living to every consumer in this country. I can give a few very practical illustrations of what an increase in the tariff means to consumers in this country. My hon. friend last year was good enough to place a duty of \$4 a ton on wire rods coming into Canada, these having formerly come in free. What was the effect of this increased duty? We were led at that time to believe that this would not result in any greater price being paid by the consumer for the finished products from those wire rods. Why, Sir, it was not a month after the coming into effect of that legislation before every farmer and every artisan in this country who wanted to buy a keg of nails had to pay 25 cents to 50 cents a keg more for the nails which they purchased. I had the privilege a couple of months ago of attending a farmers' meeting in my constituency, called for the purpose of organizing a rural telephone system. This system was to run out some 20 or 25 miles to a settlement of people who lived that far from a railroad—and I regret to say that I have many people in my district who live even farther than that from the nearest market town. These people proposed to have a farmers' rural telephone line which, with its branches into the residences en route, would probably amount in five years time to a total installation of 40 miles of telephone line. When they came to investigate the cost of building that line it was found that for every mile of telephone wire used those farmers would have to pay from \$5 to \$7 more because of the additional