

admirable quality and I admire it wherever found. Sometimes, however, my hon. friend the Minister of Railways is diabolical in his pertinacity and determination to swerve neither to the right nor to the left. He recently drove a whole family almost to political suicide in my province; there is one constituency in the province of Nova Scotia which does not know whether or not it is represented in this Parliament. This Bill involves an expenditure of \$10,000,000. The Government have no policy, no scheme, no plan worked out in regard to this proposed expenditure; I venture the assertion that the matter has not received from them five minutes' consideration. They have had no conferences with provinces or municipalities, or with men who are expert in highway construction. They do not know whether they could go to the money markets of the world to-day and borrow \$10,000,000 if the purpose of their borrowing were disclosed. Further, they could not expend one single dollar of that money this year if it were voted to them this minute by Parliament. If they attempted to do so it would be nothing less than utter and wicked waste. I assert that the purpose for which this Bill has been placed upon the order paper at this stage is to meet party exigencies. I do not say that at the proper time, under proper conditions and safeguards, when the Government shall have given mature consideration to the matter of assisting the highways of our country, such a policy would not be a beneficent and truly wise one; but at this moment, without these safeguards and without these conditions existing, it is not a wise proposal. If the Minister of Railways has not yet spoken to his colleague, the Minister of Trade and Commerce, as to the propriety, financially and morally, of asking for this legislation, I would suggest that on the return of the Minister of Trade and Commerce from Washington he should enter into a serious and solemn conference with that colleague and obtain his opinion in regard to the matter. I hardly think, however, that the Minister of Trade and Commerce, if he still entertains the altruistic ideas which he propounded to the House about a year ago in respect to public expenditures, will approve the proposed scheme.

I have spoken at some length as to the propriety of husbanding our financial resources which are derivable from customs, excise and our special war taxation. The question naturally comes to one's mind: should these sources of revenue be supplemented? From what I have already sub-

mitted to the House it would logically appear that our revenues should be supplemented in some form or other. How far should a Government finance a war by loan and how far by taxation is a very interesting question and a somewhat difficult one to answer in precise terms. All countries engaged in war at the present day or in times past have been obliged to consider this matter. In the case of Canada, inevitably we must do a great deal of borrowing, but it is an important question for consideration as to how much of war expenditure we should secure by taxation. It is my opinion that the impression is deep-seated and widely prevalent in Canada that a vast quantity of substantial wealth and income is not contributing to the revenue of the country for war purposes. In my personal experience I have found men who really feel that they are not contributing out of their abundance more than they do towards the payment of our war expenditures. Concerns and individuals who are enjoying unprecedented profits and incomes due to the war are not in many cases reached at all in the matter of revenue for war purposes. The limit which the poor can pay is soon reached. They may be fairly prosperous, but that will be short-lived, and there is this to be remembered as well: their incomes buy no more, perhaps less, than it did before the war. I submit, as a sound principle of taxation, that of the money needed by the state, the rich should contribute more than the moderately rich and the moderately rich more than the poor, and that the amounts contributed should increase, not proportionately, but progressively, as wealth increases. There is a great distinction between financing a war by loans and financing it by taxation. In financing by taxation the rich and the moderately rich bear the whole burden of the charge placed upon them at the time. Under the loan method they are compensated by taxation laid on all sections and classes of the community which future generations must pay as a reward for the patriotic conduct of those who have been good enough to loan money to the state. We have spent now in connection with the war some six hundred million dollars, and, at the very most, we have paid but sixty million dollars. Is that sufficient? It is not sufficient; there should be more taxation and less borrowing, that being the proper policy to pursue in the circumstances. The scope of the Business Profits War Tax Act should be