

man in charge of that division must be a man of many accomplishments, though from the speeches which were made in this house not long ago we might guess that perhaps he is a man who does not know anything about these things.

Mr. HOMUTH: How about some face lifting, which the government needs?

Mr. MACDONNELL: I was going to guess that perhaps this gentleman might be a professor of theology. I just want to wind up by saying that wrapping paper has all to itself an administrator, a deputy administrator and an assistant to the administrator. The only control I found missing was any control to control the controls.

I do not want to labour that point, but in the light of what I have just indicated I think it only fair to ask very seriously, where do we go from here? If we were coming to the end I think it would be fair to call it a day and say, "Let us not talk about it any more," but we have clear signs which would seem to indicate that we are going to have bigger and better and brighter controls; from the bill before us, which of course may be amended, it would seem that we are going to have a still greater extension of the situation under which huge sums of money are poured into one pot and spent from that pot. As has been pointed out to me, that is a revival of the old absolute power which the kings claimed, of getting money in a lump sum and using it as they saw fit. The whole purpose of budgeting, which incidentally should be of greater help to the Minister of Finance than anybody else, was that people should be held to definite amounts and should not run wild in the matter of expenditures from this common pot.

I come now to taxation. I should like to consider briefly some of the main proposals of the minister. But before doing so I should like to say a word or two about taxation in general. I would invite the house for a minute or two to consider what is to be the method of taxation. I mean to say, what is the basis we should work on; how much we should tax and how much we should borrow.

I suppose Charles Dickens, through the words of Micawber, laid down the golden rule for an individual budget for all time. You will remember what Micawber said: "Income £20. Expenditure £19.19s.6d. Result—happiness. Income £20. Expenditure £20.6d. Result—misery." That rule also prevailed in public finance for a long time—in fact until quite recently. I ran across a budget debate of some twenty odd years ago, at the time when Mr. Fielding was Minister of Finance, and when

[Mr. Macdonnell.]

Sir George Foster was criticizing one of his budgets. They argued all one summer afternoon as to whether we had a surplus of \$1,500,000 or a deficit of \$750,000—what chicken feed, when compared with what we have to-day! Sir George Foster said that the alleged surplus had been got merely by "juggling and falsifying the figures". He said he hoped his remarks would not create any offence. I could not help imagining what would happen in this house if the Minister of Finance were accused of juggling and falsifying the accounts. I think that an atomic bomb would be small, in comparison with what would happen. In those earlier days they took their expenditures seriously.

Now we are told that we can disregard those rules in the realm of public finance. We are told that we can go on and on and on, for ever and ever, just so long as we borrow from ourselves. Apparently there is some mysterious belief that so long as we borrow from ourselves it is not important. However I think the taxpayer does not believe that. I think the taxpayer is convinced there is a catch in it somewhere. And I think he feels that the time has come when we should try to get back to the rules that have been tried and tested. I think he believes he knows what they are. He believes that the two methods, the two sheet anchors we should hold on to, are taxation and borrowing from the public. That is to say, so long as we are getting our money either by taxation or by borrowing from the public, at least we know where we are, and at least we do not fool ourselves.

Happily we have stayed by those two things pretty well in these last two years. It is true that one-sixth of our total expenditure was not received from the public, but has been through other borrowing, as the Minister of Finance has pointed out. But we have always been intending and trying to get back. I submit the time has now come when we should begin to get back. The anchors have been dragging, and the time has come when we should see that they begin to hold firm.

There are two points I would bring to the attention of the house. I would ask hon. members to consider carefully how we can judge fairly the total amount we can spend, and the total amount we should get by taxation, leaving the rest to be borrowed.

So far as expenditure is concerned we must make up our minds, based on the best estimate we can make of the national income, how much of this income can be safely taken by the state; and having made up our minds on this, we must then make a heroic effort to keep our expenditure within that amount. At