

*Special War Revenue Act*

of the sugar tax will be to bring home to our people the realization that if they are going to insist upon the government embarking upon expenditures, they must be prepared to pay the bill.

Mr. LAPOINTE: Yes.

Mr. RHODES: The hon. member for Quebec East realizes it, yes—but the people of the country do not. That is the amazing thing. I have in my mind two resolutions which I received from a board of trade in one of our Canadian towns. The first endorsed the suggestion of the Canadian chamber of commerce to the effect that we should reduce expenditures. The next, if you please, asked us to add a list of commodities to the stabilization fund which would cost Canada several millions of dollars each year. That attitude is more or less common not only in the minds of individuals but throughout organizations. They seem to have the idea—at least some of them—that the government is a thing apart, that we have some sort of golden cornucopia that we can turn over, and from which dollars will spill out. They are now coming to the realization through the sugar tax that the money we spend is the money they provide. I believe in the last analysis this same tax will have a wholesome and beneficent effect upon our people, because it will bring home to them the fact that we spend only their money. As a result of this taxation, and having that fact brought home to them, I am sure they will minimize their requests not only from the federal government—and I speak not of the government of the day but of all governments—but from provincial and municipal bodies. We will not be asked to embark upon such great expenditures, and our people will cooperate to the point where we shall be able to live within our means. The sooner that condition is brought about the better for all concerned.

Mr. MacLEAN: Just a word in reply to my hon. friend; his remarks seemed to be directed to this corner of the house. He started off by telling us that the government's difficulties are due largely to the condition of the Canadian railways. No one should realize more than the Minister of Finance that the policy of the present government has been largely instrumental in bringing about that condition.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Rot.

[Mr. Rhodes.]

Mr. MacLEAN: Those who listened to Sir Arthur Salter's address to-day heard him say that one of the conditions that made for increasing revenue was the expansion of trade between different countries. The moment you put tariffs up to a prohibitive point you stop importations and lose revenue.

Mr. SPENCE: That is the old line.

Mr. MacLEAN: I know our friends do not like that; they did not like to hear it in the parliamentary restaurant to-day and they do not like it now, because it is such a vital truth and they realize it. But that is one of the factors that brought about the situation that made it necessary to increase taxation. The hon. minister says that the estimate is that this year's new taxes will bring in \$57,000,000 of new money. Add that to the \$133,000,000 estimated for the two preceding years, and you have a total of \$190,000,000 of new taxation that the people of this country have been forced to pay under the present administration.

My hon. friend says: Show me where we can reduce expenditures. I say to the minister, let him show us where the extra \$56,000,000 of expenditure went last year.

The CHAIRMAN: Order. I think we are on resolution No. 9.

Mr. MacLEAN: Yes, we are dealing with the sugar question. It involves the whole question of the revenue of this country. Taxation is what we are dealing with.

The CHAIRMAN: No, a special article of taxation; otherwise we could discuss the whole budget.

Mr. CASGRAIN: So we can.

Mr. MacLEAN: My hon. friend referred to old age pensions. He is an astute politician; he knows very well that the previous government had to carry those same burdens. They had the old age pensions; they had the railway situation; they had subsidies for the different provinces; they had the civil service situation to deal with. Let me say to my hon. friend that they are creating a situation in the civil service of Canada that is going to be very difficult for themselves or any other government to adjust. The matter of the yearly increases is going to be left in a dreadful position for some government to deal with when the time arrives. It will not be long before the civil service will demand some settlement of that question; either that they are not to get the increases, or that the increases are to be paid.