

It is going to fall upon the men who can afford to pay it, and I would have a much poorer opinion than I have of the people of this country if I thought that the men, on behalf of whom these appeals ad misericordiam are put up, were unwilling to pay their mite in order to assist in this war we are waging for civilization. At the autumn session I exhausted the revenue possibilities on liquors, cigars and tobaccos, and what was I to fall back upon—unless I was going to put this country in a position in which its finances would be unsound and incapable of sustaining the situation created by the war—except the tariff. The point escaped the observation of my right hon. friend, or he intentionally overlooked it, that in order to raise additional revenue under the tariff as it existed prior to the 12th of February last I was obliged to put a tax upon free goods and raw materials. I know as well as anybody knows that when you get beyond a certain point you are not likely to increase your revenues and of course that is common knowledge to every man who knows anything about taxation measures.

Where was I then to meet the requirements of the situation? I had to tax raw material and I had to tax free goods, and consequently I imposed a horizontal increase of $7\frac{1}{2}$ and 5 per cent. What followed from that? It followed necessarily from that—and I do not believe any hon. gentleman in this House will get up and say it could be avoided—it followed necessarily from that, that I was obliged to increase the duty upon the finished article. If tomorrow my right hon. friend were a manufacturer in this country, and if the duty upon his coal and his raw material and his partly finished product were increased, what would the position be, if we failed to increase also the duty upon his finished article? Only one thing would happen to him—he would have to give up business. Therefore, it follows that when I was obliged, as I was, to increase the duty upon raw material and upon the partly-finished product used by the manufacturers and business people of Canada for the purpose of making the finished product, I was obliged also to raise the duty upon the finished product. Any other course would have been fraught with the most disastrous consequences to the business interests of this country. No other course has ever been pursued by any Minister of Finance in this country, including the Minister of Finance who preceded me. So far as I know, there never was any increase, if the tariff had been at all properly adjusted before, in which an increase in the duty upon raw material was not accompanied by an increase in the duty upon the finished product. That is trite and commonplace knowledge.

Hon. gentlemen opposite raise the objection that the manufacturers will benefit. Have they taken into consideration the fact that I am trying to raise by these tariff changes some \$20,000,000 to \$25,000,000; that I am taxing raw material; that I am taxing free goods that the manufacturers had available before; that I am taxing the partly-manufactured product used as raw material by the manufacturers? If the manufacturers have to pay that increase, as they will have to do, must they not have an increase on the finished product? Since I have been in this House, hon. gentlemen opposite have never ceased to criticize adversely the industrial interests of this country. If I am right in stating that I was obliged to resort to the tariff—and to impose a duty upon free goods and raw material, and no alternative has been put forward by hon. gentlemen opposite—then is it an answer to say that the manufacturers are getting an increase upon their finished product? What will hon. gentlemen opposite do with the manufacturers if I am obliged to impose this duty? Will they drive them out