

tween the provinces, the municipalities and the Dominion. Instead of considering it expedient to transfer the administration of the Business Profits War Tax Act and the Income Tax Act to the Department of Customs and create a new advisory board, I think it would be more expedient to reduce taxation.

I would remind hon. gentlemen to my left that one of the principal planks in the platform of the United Farmers of Ontario was retrenchment in expenditure, all along the line, and the reduction of taxation, capital expenditure, maintenance, income tax, and everything like that; but after four years of administration the United Farmers raised the debt of the province from \$97,000,000 to \$247,000,000. I hope hon. gentlemen to my left will have something to say about this resolution, because the country is staggering under a heavy load of taxation to-day, and there is an insistent demand, not for the transfer of the Income Tax Act or its amalgamation with the Business Profits War Tax Act under the administration of the Department of Customs, but for its complete abolition. In imposing the income tax this legislation has invaded the field which has been held as exclusively municipal ever since confederation. But now we have income tax imposed by the municipalities and by the parliament of Canada; it is a double-header, and the tax falls on the toiler and the man of moderate means and the man with a fixed salary for the bigger men seem to escape.

I think there should also be some modification of the business profits tax. That tax should be reduced, if not altogether abolished. That would be far more expedient than to do what this resolution proposes. They are doing that to-day in England, the United States, and France. According to the speech of the Chancellor of the Exchequer in England, their budget shows a surplus of £100,000,000. The French Chamber has also adopted a report to balance their budget. They have an estimated surplus, and they are eliminating this form of taxation. A similar condition prevails in the United States, where they have reduced their taxation, balanced their budget, and are going to eliminate these forms of war taxation. It was announced in the papers last Tuesday morning that the "nuisance" taxes, as they call this form of taxation in the United States, are being repealed. The despatch is as follows:

Washington, June 30.—After to-morrow midnight there will be no tax on a movie that costs you 50 cents or less, no tax on telephone or telegraph, candy or a variety of commodities, such as X-ray films, hunting knives, riding habits, stilettoes, smoking stands, hunting garments, etc.

The nuisance taxes repealed in the Revenue Act of 1924, which did not go out of existence immediately, will pass on with the rest of the war history at 12.01 a.m. Wednesday. Various of these taxes were repealed thirty days after the Revenue Act became law, which was at 4.01 p.m., June 2nd. The revenue bureau figures that thirty days hence will be midnight July 1.

Changes in the automobile tax are effective Wednesday, as are alterations in the jewellery tax. The five per cent jewellery tax will not apply to sales or leases on musical instruments, silver plated flat table ware, articles for religious purposes, or to articles sold for not more than \$30, or watches sold for not more than \$60. The stamp tax of 2 cents on each \$100 of drafts and promissory notes is repealed, effective after midnight of July 1.

So hon. gentlemen will see what is being done in the United States, in England and in France to give some relief to the taxpayer from business and income taxes and many other forms of so called war taxation. What are we doing in Canada? It was estimated by the Acting Minister of Finance that we had a surplus of \$30,000,000, although this side of the House estimated that our budget, when the railway deficits are taken into consideration, would show a deficit of from \$60,000,000 to \$80,000,000, and yet in spite of that surplus which the Acting Minister of Finance reports, what is the government doing to-day to reduce taxation? They are appointing an advisory board to look over unexplored, unknown fields to create new forms of taxation, and will probably bring down legislation for the purpose next session. Is that what this country is expecting? I say no and hon. gentlemen to my left are not fulfilling the plank in their platform when they do not protest against the continuation of this form of taxation of business and incomes. Instead of asking for the transfer of the administration of these two acts they should be asking for their abolition so that we will not have the duplicate and triplicate taxes which we have at the present time. When this matter came up a month ago it was pointed out to the Acting Minister of Finance that it was very questionable whether the provinces had the right to impose certain forms of taxation for militia and defence, that that field belonged to the federal legislature. It was pointed out that the provinces have an amusement tax which is of doubtful legality. That tax is based on a clause related to Militia and Defence, section 91 of the British North America Act. The province of Ontario has had an amusement tax for seven years, and it is doubtful if it is constitutional, doubtful also if it does not invade the field of federal jurisdiction. That tax is illegal. The minister said there was to be a conference held upon the subject