

criticisms levelled by leading politicians, not only in this chamber but in the province of Quebec and particularly in my own constituency, against a certain item of the budget presented by the hon. Minister of Finance (Mr. Dunning). Before proceeding, I deem it my duty to congratulate the hon. minister, who presented such an admirable statement of the financial situation of the country.

As it is my intention to submit a claim on behalf of the French Canadian element in Canada, I shall address the house in my mother tongue, and in doing so, I offer no apology, for indeed it is a matter of regret that, owing to circumstances, we are so frequently called upon to use the English language.

As I was saying, in a circular published in a number of newspapers in the province of Quebec, a certain politician criticized the increase of the sales tax from 6 to 8 per cent. The taxpayers are well aware that in 1930, the sales tax had been reduced by the Liberal party to 1 per cent and that between 1930 and 1935, the same tax was raised to 6 per cent, which represents an increase of 5 per cent. At that time no circulars were printed to criticize the increase, nor was there a single voice raised in protest on the floor of the house. Other times, other ways!

Why is it necessary for the government to impose new taxes, and what are the facts? From 1930 to 1935, under the Conservative administration, our national debt increased by \$867,000,000, which, at the rate of 3 per cent, represents an interest charge of \$26,010,000.

Secondly, the country has to pay, in interest alone on our total debt, \$134,550,000 a year.

Thirdly, for the last year of the Conservative administration, the deficit amounted to \$162,191,000.

It is obvious that new sources of revenue were required to meet the obligations of the late regime. The sales tax reaches every one, and to a larger extent is paid by those whose purchases are greater; the wealthy will therefore pay more than the middle classes. So far as the unemployed receiving under direct relief are concerned, they will hardly be affected since practically all their requirements are purchased by the public authorities.

On the other hand, out of the \$134,000,000 payable annually, the larger portion must go towards the payment of the war debt which, to use the words of the Minister of Finance himself, "is still the principal factor of our budgetary situation." We all know which party was responsible for the war debt and those who belong to that party

should not find fault with the present government's earnest effort to pay off the enormous debt incurred by the Conservative party.

Once order is restored to the business of the country and our enormous debt has been reduced, the Liberal party will undoubtedly reduce the sales tax, just as they did in the past, and just as they succeeded in decreasing the national debt by \$275,000,000 during their last administration. To achieve such a result, the present government will adhere to their usual policy of moderation and careful thought.

Should not, for instance, automobile owners rejoice at the reduction of the rate of duty on gasoline? Should not the farmers also welcome the 27 per cent reduction in the customs duty on farming implements?

I note with great pleasure that the budget presented by the hon. Minister of Finance is a fair one that distributes the burden of the national debt among all classes of society evenly, according to their ability to pay. In fact, legislation should not tend to penalize any class of the community, but aim to make for union amongst all classes, in the national interest.

In the few minutes to follow I should like, Mr. Speaker, to make a plea for union from a threefold viewpoint. I realize that agriculture is the basis of our wealth and the key to our national prosperity. In that connection, may I quote the statement once made by Hon. Honoré Mercier, a former prime minister of the province of Quebec:

We are an agricultural country and upon the prosperity of agriculture depends our national progress. To seek to build our future on anything else but agriculture is to have recourse to artificial means that will prove just as useless as to attempt to stem the tide.

If it is possible for the government to subsidize a certain class of the community, for example by paying part of the cost of unemployment insurance, I believe they are also bound to pay part of the interest on farm loans and to provide loans for the farmers at a rate of 3 per cent. On the other hand, the procedure in connection with the obtaining of loans should be made more expeditious, less costly and more applicable to the laws and conditions existing in the province of Quebec. If farmers in a certain section of the country are to be granted subsidies or bonuses to stimulate the production of their chief commodity, would it not be equally fair that the farmers in eastern Canada also be paid a bonus on their production of butter and cheese?

The farmers of eastern Canada have their own problems as well as those of western