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At The Federal Capital

BUDGET DEBATE

Speech by Mr. James McIsaac, M.P. (Hansard, May 28, 1920.) Mr. JAMES McISAAC (Kings

it goes without saying that a Parliament. If this be true, sacrifices in some degree propor generally speaking, it was par- tionate to those they made when ticularly true during the period the tocsin of war sounded and of the war, and during the years they flew to arms to save the no time during the period of the enumerated in detail, flung around large expenditures and the immense amount of money required portance. Under all the circumstances, I think the Minister of Finance (Sir Henry Drayton) deserves congratulation and comfor having evolved out of all these conditions a Budget so comprehensive, sane and reasonable as the one he has brought down to Bulget will not please every-

As the Minister of Financa, in bring it to a successful issue, we the course of his presentation were not justified in incurring the various elements that enter into our fiscal system and the of our trade. From 1909 the the Finance Department anything might not be considered unduly be made, and may, as a result, ates preached free trade on every denied—that 74 per cent was the tal trade of the country in that was not essentially an asset. high. Just consider the sacrifice confidently expect a great stimplatform throughout the country eased from about half a billion These assets to which I have re- we are making by the lopping off ulus in our industrial and com- they were simply deceiving the National Policy tariff brought collars in that year to over two ferred were quiescent, and the of the \$30,000,000 of revenue mercial life.

amounts of proposed expenditures of Finance took an exceedingly which are placed before us for wise position, and what he has CHARLOTTETOWN, P. E ISLAND

position as regards our fiscal is in a most hea'thy condition, if our people show energy and perseverance, and get rid of som

meet all our obligations. war, or before or since the war, also show a healthy alvanc has a Bulget Speech been antici The value of manufactured pro puted with so much interest and, linets in 1915 was shown to b with some anxiety, as at this value had increased to over \$3. creased from 1913 to 1919 by the Budget Speech of this session about \$172,000,000, the last year these peculiar conditions. Our showing a total of \$1,841,478,895, apart from what was spent for great debt, incurred principally Be it remembered that in ad in consequence of the war, our dition to this money deposited in possibility be regarded as ordinary the banks by the people of Canada in these two years, the peop! of this country had deposited with to be raised to meet-them, neces- the Government of Canada by stilly nade the Budget Speech of the purchase of Victory bond of paramount in- about \$1,500,000,000. That shows how great are the resources o Canada, and what a tirm an progress and expansion, so that we may go on from year to year and from decade to decade ad vancing to the place among the

body, and I am sure the minister country was the national debt. guided in our Estimates by the tax, and an increase in the incomhal no ilea when he pre It is of the greatest importance figures which we know in con- tax. We have here surely a suffi deal more than "tinge" I am sented it that it would please all that we should take into seriou nection with past years, and by cient variety of tazation to mee the mombers of this House or consideration the very great debt the activities of our different de- all tastes, although it is quite to say of the schedules having to do almost boundless natural re- this period can only be estimated; been quite a number of people with different methods of taxa there, and it is altogether possible financial position we are in to- penditure for the current year is were, by means of customs dutie that when these matters come to day even facing this great load of debt : when we consider the en c m nittee, the Minister of Finterprise and energy of our people, there is no room for doubt that ance, in his wisdom and judgment, after having weighed all we shall be able to meet all legitimate obligations, no matter the representations that may be how great they may be, that brought to his notice in regard to Canada may assume in the public them may be disposed to make interest. The debt is great, of some amendments here and there course, but the larger part of it in the resolutions. That, how- was incurred in consequece of ever, is a matter of detail which the war, and no true patriot who from? The sources of revenue to be seen. The main thing is hon, friend's correction. I did not that I concur with the hon, genloves his country will say that, are as follows : does not come within the scope when the need arose and we were of the discussion on the Budget called upon to put all our ener: gies into the titanic struggle to

of our financial position, unfolded these poligations. In view of all the circumstances I think we ave made a marvellous showing. Our gross debt is \$3,014,483, different activities and operations 774.12. In this connection I wish ance of somewhere in the vicinity we have had quite a considerable

should keep those figures in mind will be in the nature of treasure and the ordinary estimate | 1 :- | : affairs up to this point, having ber said as a basis in considering the trove. I think that the Minister venue.

done has been to ensure that no of the soil. The production of status. For these reasons the wheat, for instance, steadily in minister deserves the highest com-

will be discovered that anything peace, and great in finance.

ordinary expenditure has been sents to us, in order to make an following the war. Perhaps at Empire, we shall be easily able to provided for. Having paid \$349, the balance between the ordinary capital expenditure. Of course, 000,000. That includes the total war purposes, which can by no expenditure. We trust that in a few years we shall have finished paying off this peculiar liability. which was incurred under such

regrettable and memorable cir

That disposes of the considera- the various forms of direct taxaion of our finances up to the tion that he intends to adopt, has stable basis we have for greater 31st March, 1920. The next kept well in view in so far aphase of the Budget deals with that could reasonably be accomthe revenues and expenditures for plished, the placing of the greatest he year on which we have en-burden on the shoulders of those galaxy of nations which Canada case with every Budget, no defin- might be, those unable to p A very important part of the ite statements can be made as to very much in the way of taxation old days when, like the Liberals Fielding) express himself in the Budget Speech and of the Fin- what the revenues or expenditures He proposes, as a necessary means of the present, they were in opanc. Minister's presentation of of the year may be; we can only of raising revenue, an excise tax, position, who know how much spoke thus: the financial condition of the estimate them and we must be a luxury tax, a business profit with which the people of thit partments and the various enter- possible that all will not be country are confronted. On the prises operating in the country, pleased; probably quite a number other hand, when we consider the Consequently, the expenditure for will not be pleased. There have sources of our nation, and what Let us now consider the expendi who have expressed dissatisfachas been done in the last forty ture that the Minister of Finance tion with the form of indirect years to develop those resources; estimates for the year up in which taxation. They are paying taxes when we take into account the we have entered. The total ex- unknown to themselves, as

estimated as follows: Main estimates and \$574,000,000 that they would like to pay di-Rulways 74,058,000 rectly. They will have their op-25,000,000 Floatingobligations

\$673,000,000 we have an admixture of direct Against these estimated ex-possible that there are some peo-

enditures what amount of money ple who will not be satisfied with party present. have we and where is it to come either. However, that remain

from ordinary \$381,000,000 bear least heavily on those who Cash on hand and outstanding as counts

\$571,000)co pay, and pay well. Direct taxa. Total.

This will leave an advers bal- for two or three years, at least of a national character that go to to say that the Minister of Fin- of \$100,000,000, which amount, and this year it is in make up our great system of ance did a very frank and cour has to be provided for by means voked to an wen greater extent finance and supply us with the geous thing in not considering as outside of the ordinary. At this But generally speaking for years fands to meet the necessary ex active and realizable some of point-the Minister of Finance did past we have had indirect taxa penditures of the country, I, for those items which go to make another couragesus thing, some- tion, and therefore people are not one, was deeply interested in the up the difference of \$1,078,537, thing for which he certainly de-so much accustomed to paying a one, was deeply interested in the 461.27 between the gross debt and served to be praised. He lopped direct tax. This year both kinds the net debt. To all intents and off the extra war tax of 71 per are brought into operation, and first place the Minister of Finance purposes these investments were cent. and at one stroke removed a when the tariff has been sciengive us figures of the trade assets, and under ordinary cir- tax which brought us \$30,000,000 titically revised—after a therof the country by decades cov-cumstances there would be a yearly. It was considered that ough investigation into all the tade, ring a considerable period of great temptation to a Finance as this tax had only been imposed different phases of the question. Now, we have the truth. The Budget in 1897.? It has been to show them as active for war purposes, the time had we may look forward next year hon, member here makes open assets. The minister did not perhaps come when it might be to witnessing the introduction of confession that during all those inner circles of the Liberal party desire to retain on the books of removed in order that the tariff as nearly perfect as can years in which he and his associ- - and the statement has not been

billion dollars in 1912. Live contar wisely and some goods Up to this date the Minist . Figures are rather a dry sub- e of into our language late'y that ruck me as marvedous advance so, thear asit; placing them to Finance has been removing our ect and I am inclined to apolo- is applicable to the hon, gentlement. In the twelve months suspense account. There they ces of taxation and making the gize for having dwelt so long on man's statements. I heritate to from 1919 to 1920 our trade in- remain, and at some future time task of obtaining revenue a more these phases of the question, but use the expression because it is creased over the previous year by they may be resurrected and re-difficult task for himself. Now in considering a Budget Speech almost worked to death. The over \$165,000,000, the unrevised juvinated and when that is we come to the consideration of one cannot avoid quoting figures word in question is "camouflage," figures for 1920 being \$2,351,174, | brought about our financial con- the question of how the revenue and in very great numbers, and I think the hon, member has PUBLISHED EVERY WEDNESDAY 886. That was a marvellously dition will be improved, for any is to be raised to meet the bri- Maving briefly and succinctly re- given us a pretty good example good showing, I thought. We interest that may arise from them ance between the expenditure lewed the administration of pub- of it. Proceeding, the hon, me

then cognizance of our different | There is not anything of thre At this point the Minister says: cosources and our trade and manu- kin I now, and with all due re We shall have no more have " fecturing and other activities, spect to those who may be de-I wish to dwell for a moment on having dealt with the question scribed as free traders, I think it is The Minister of Finance also undergrowth or brushwood, so to the question of loans. Canada, in f taxation and the position in gave figures as to the products speak, might clog our financial so far as her domestic loans are which we now find ourselves in Canada within the lifetime of concerned stands in an enviable the present year, I shall refer any man who sits in this House position. When we were in the briefly to some aspects of the today. It is not practicable, and creased from one ten year period mendation which this House can midst of the war, when we were liscal question as presented by that is not to say that free trade to another. From 1910 to 1919 tender him. The net debt is confronted with extraordinary cortain hon, gentlemen opposite, principles are not sound.

the increase was over 60,000,000 placed at \$2,273,305,436, and expenditures, when we were not is particular, I wish to refer to Free trade principles do not bushels. The last named date starting from this point we must able to obtain the pecessary many the attitude taken by the hon, seem sound or practicable to the shows the total production was see what our actual position is, by loans outside of Canada the member for Shelburne and Queen's hou member today. It is mar \$193,000,000. Other agricultural The minister has given us a state- then Minister of Finance turned (Ar. Fielding). But before doing vellous that he has become such a productions, field crops and farm ment of the revenue and expento our own people. Is not the so let me say this: Like a great protectionist. He now advocates products also increased from 1917 ditures for the year ending March record of Canada in so far as her many of the members of this protection "whenever occasion to 1919 to the value of over 31, 1920, and we learn that dur- Victory Loans are concerned a House I have a recollection of the requires it." He is quite prepared \$850,000,000, and in the last ing that year the revenue from mo. dmirable and highly cre. hon member in common with a to grant protection in the form of named year the total value of ordinary sources was the greatest ditable one? The spontancity, number of political associates, inthese productions was \$1,975,841 in our history, amounting to enthusiasm and generosity with veighing year after year against the form of anti-dumping regula-000. These figures are gratify some \$388,000,000. If we sub- which the people poured their protection in any form whatever, tions; to give protection in half

000,000 in ordinary expenditures, estimated reverue and the expen when they were in opposition, felt that indeed he might well Our manufacturing industries we therefore have a surplus of diture, several different phases of and were made with special em- say, Nunc dimittis: Now dismiss \$39,000,000 to be applied to taxation. I am sure it will be phasis when elections were close thy servant in peace; because he generally accepted that taxation at hand. We now have it from had seen the conversion of my

and another. But it is neassary burne and Queen's who was Min- view. outlay of Canada for the year for us, as it is necessary for every ister of Finance during the fifcountry, that there shall be a tax of one kind or another in order

that the public business m v be

conducted in a proper and dig-

nified way, and in according

with the requirements of the

country. Apart from the reven

ues coming in from customs and

and excise. They are not satis

fied-or, at least some expresse

portunity; we have here both

are least able to pay them, while

those who have the wealth and

ion is not altogether new to us

dissatisfaction, and they have said

While it is true that at all times excise the Minister of Finance i for many years all our tariff disassions have been more or less an honorable man he felt that he Only "tinged," mind you. I

"tinge" there was about my hon. friend's views. It was a good

granted, is because our farmer, nto their platform.

equetting with the party sitting up in such a strict political school ingularly opposite to me to-night I thought it was very bad politics ne of them present this evening, s more than one of the Farmers'

With all due respect to them, I take the view that free trade is That is the confession of a gen are able to pay shall be asked to not a practical question in our tleman who was within the inner pay, and pay well. Direct taxal tariff discussions of today,

> one who might without exaggera- trade party only for the purpose tion have been described as the of deceiving the people in order high priest or chief apostle of free to get into power. trade when he was in opposition prior to 1896—in fact, since then which we are operating now, and almost down to the present time. how much does it differ from the The hon member continuing, said: National Policy of 1879? Die

the first place, it may be well simply to remember that there never has been in the Dominion of Canada such a thing as free any steps to reduce the tariff

people. There is a word that has

ing in the very highest degree, tract from that sum the ordinary funds into the coffers of the Gov. Time after time they invoked a dozen other ways-he is a does the financial condition of the They show that our country, with expenditures we find a surplus ermment for the purpose of car. the maledictions of high Heaven thorough-going protectionist so to c untry and disclosing to us our its various sources of production, Some people, content that an rying on the protective system. They speak. Is it any wonder, Mr. amount is not a surplus unless all one of the elements that counti- declared that it was accursed of Speaker, that after this candid position of the construction of the policy, from year to year, is one and they give us confidence that revenues are greater than all extract that at the Canada's greatness at the God and man and that at the very confession of the hon, member penditures in the statement of present day, and one that has thest opportunity it should be the Minister of Trade and Comaccounts, but in the language of gone far to impress the other na. pu'led up root and branch and marce (Sir George Foster) who of their extravagance, and make our fiscal arrangements, and even tions of the world with the fact totally destroyed -- that such an fir over thirty years had heard by reference to the dictionary, it that she is great in war, great it accursed thing as protection my hon. friend denouncing proshould not be allowed to ex's in t ction, rubbed his eyes and ex is a surplus that remains after. The Minister of Finance pre this country. These declarations pressed the greatest surprise. were not made when the Liberals He wondered whether or not were in office; they were made the millenium had arrived. He

there is always capital expendition and agreeable subject und r the hon, gentleman himself that esteemed friend on the other side. possibly, in some quarters, even \$1,407,137,140 and in 1917 the ture, investments, outlays, etc., any consideration. The people of in effect those declarations were But, Sir. while we may express and these amounted last year to this or any other country do not only intended to win elections surprise at this apparent conversession. A combination of cir- 000,000,000, an increase of abou 3187,856,931, bringing the total look forward with pleasure to an I not to be given effect to. In sion, when we sift the evidence session. A combination of cirstranger, which need not be supprised tax bills piling in upon them one the face of repeated declarations there is nothing to be surprised tax bills piling in upon them one the face of repeated declarations there is nothing to be surprised tax bills piling in upon them one the face of repeated declarations there is nothing to be surprised to the public in Canada in the past year to over \$536.

The past year to over \$536.

> teen years the Liberals were in not do better than quote from the office, it was most remarkable the speech of the hon, member for other night to hear that hon. Parkdale (Mr. Mowat) at one time gintleman express his ideas res- a prominent member of the Lib pecting free trade and protection. eral party, whose leaders, when in Let me quote from his speech opposition, expressed themselves lelivered on May 18 as reported at so strongly in favour of free trade page 2581 of unrevised Hansard: principles. That hon, gentleman

tinged with the question of free could no longer belong to a party whose professions of free trade i on sure there are members of this into practice when in office. But tered ending 31st March, 1921, best able to bear it. His inten- House who were not then sup-At this stage, of course, as is the tion was to relieve, as far as porters of the Conservative party out of school until he heard the but supported the Liberals in the ex-Minister of Finance (Mr. terms I have just quoted, when he

> The political aspect of this is so dramatic. The other night of what I may call the free trade For many years I was accusnovement, and the free trade to follow that hon, gentledestion is now thrust to the man, and to agree that what he arger way than it has been in right; and during that time any ecent years. That, I take it for changes in the tariff from the old national policy of our Conservariends attach so much importance tive opponents did not seem to o the matter and have pushed it us to be very shocking. I was Ah, my hon, friend was then Perhaps because I was brought Bran, Middlings, Shorts

the Farmers' party. I see only to admit anything which might Feed Flour, Oats be taken advantage of by one's Bone Meal, Linseed Meal and he is the chief Levite himself having been made that the Lib-Mr. REID (Mackenzie): There eral purty of those days was really not a free trade party but a Crushed Oats, Straw protectionist party, frees me from Rolled Oats. Cornmeai secrecy that I would otherwise Oat Flour, Cracked Corn Mr. McISAAC: I accept my maintain, and permits me to say Poultry Supplies, &c. &c. that these taxes shall be so all notice him because he is not tleman (Mr. Fielding) who made justed and so arranged that they sitting in his usual scat. The of those days did not, among m member for Shelburne and themselves anyway, claim that they had materially reduced the protective policy of the country.

This is very strange talk from eonfession that they were a free What is the fiscal policy under

There are some things that we the Liberals when they came into should do well to remember. In power, notwithstanding their free vention resolution in 1893, take when they brought down their

(Continued on page 3.)

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