

*The Address—Sir Henry Drayton*

The following discussion then took place.

Mr. Fielding: No, my right hon. friend did not say that.

Mr. Meighen: Oh yes.

Mr. Fielding: I think I have what my right hon. friend said. What he may have had in the back of his head. I do not know, but what appears on Hansard is the simple statement that we were increasing our obligations and increasing our obligations to the United States. That was our great offence.

Mr. Meighen: I referred to the speech of the Minister of Justice.

Mr. Fielding: My right hon. friend, in the speech to which I am replying, to the best of my knowledge, made no allusion to the Minister of Justice.

With the consent of the House I propose to read exactly what was said by the leader of the opposition, and I quote from page 21 of Hansard:

In that speech—

Referring to the Speech from the Throne of last year—

—the government which had described our national condition as perilous, as bringing forbodings into the minds of masters of finance, in the words of the present Minister of Justice (Sir Lomer Gouin), as making even rich men uail with fear, as indeed making patriotic men dread the day when, because of our obligations to the Republic to the south, we would drift into annexation.

Again, I say, Mr. Speaker, that there was not a single thing said by the leader of the Opposition which was not literally and accurately true.

Why, we had another issue, Sir. The leader of the Opposition stated that as a result of this sales tax everybody that bought the necessities of life contributed to that tax, and a list of food stuffs and other things was read by the Minister of Finance as showing that there are exemptions to that tax and therefore everybody did not pay. He put emphasis upon the "all" and upon the "everybody". The emphasis is put entirely in the wrong place. The leader of the Opposition did not say that the purchase of every necessity, of all necessities, was accompanied by the tax—not at all. We have practically exempted food stuffs, food in its raw condition, products of the mine, and products of the forest. I wonder if the minister will say now that a pair of boots is not a necessity of life.

Mr. FIELDING: Does my hon. friend wish me to answer?

Sir HENRY DRAYTON: Yes.

Mr. FIELDING: If my hon. friend thought it was a necessity of life why did he not include it in his list of exemptions?

Sir HENRY DRAYTON: I am very much gratified at the answer. We have never pretended that all the necessities of life were

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exempt from that tax, we knew they were not. We were honest about it—they are not exempt. What we did do was to exempt the articles of primary production. We were not exempting manufactured articles, we were not exempting the articles which had been advanced to a high state of manufacture and value, whether it be food, whether it be clothing, whether it be anything else.

I would like to put another question to my hon. friend. He evidently has another idea of the sales tax. His idea evidently is that the necessities of life are exempt. He added somewhat to those necessities of life—not very much, and they were never described as the necessities of life but he added somewhat to them. If he considers boots as necessities of life why did he not exempt them? I think, perhaps that question also deserves an answer. However, I will not press it. The thing is so perfectly ridiculous. The leader of the Opposition did not say that all the necessities of life are subject to a tax, but he did say that those who bought them paid a tax; and in this climate of ours are not boots, clothing and the like, necessities of life? I am inclined to think that what the Minister of Finance said as to my leader, in connection with some of his statements, should be applied here: I fancy he was so anxious to get his message to the Progressives, so anxious to sound that note of warning, so anxious to get up some avenue which would entirely disassociate him and his party from this iniquitous group here, that after all he did not waste very much time considering just exactly what was being said.

Another thing. The Minister of Finance talked about the tremendous additions to our New York indebtedness. I agree with some of the things my hon. friend said. I agree with him that we cannot do everything ourselves, I agree with him that sometimes we have to go out of the country in order to meet our demand. Yet I think, again, that he will agree with me that to the greatest possible extent practicable Canada's loans ought to be held in Canada. But to return for one minute to the tremendous burden of this country's obligations in the New York market. My hon. friend last year brought down the public accounts and I am going to quote from appendix No. 3, on page 56 of that blue book, and I am going to give the House the position of our New York loans at that time. We had two different sets of loans in New York then—I am speaking of this country's obligations and our own loans. The first are loans bearing 5 per cent, and the second loans bearing 5½ per cent issued at a time when money was dear. We had, roughly