

*The Budget—Mr. Girouard*

the hon. members of the opposition cannot grasp. The sales tax, which weighs so heavily on the mass has disappeared on a great number of articles, and this added to other exemptions, and abolishment in connection with the sales tax of previous years, will be very beneficial to the consumers. Then we note in the budget, the disappearance of the receipt tax and the return to the penny postage rate. I think, Sir, that the mails are an easy way of communicating with one another and that service should be given at the lowest possible rate in order that it may be at the disposal of everybody even of the poorest person. These two latter measures meet with the approval of the whole country and I think that the Minister of Finance had a happy thought in introducing them. I have been in a position to satisfy myself as regards the unanimous endorsement of these proposals by the electors in the riding that I have the honour to represent, when these reductions took place following the budget speech. The cutting down of the income tax was an agreeable surprise, inasmuch as the reductions were substantial, therefore this measure is certainly a welcome one.

One may judge of its far-reaching effects from the following facts: Married people having no dependents enjoy an exemption to the extent of \$3,000; the exemption per child remains at \$500. Those who, under the old act, paid \$20 and \$40 of income tax, will have no payments to make now. Those who previously paid \$60, \$80 and even \$100, will now pay according to the new proposed rates but \$10, \$20 or \$30. We can readily understand that the reduction proposed is substantial and to the benefit of the tax payer. The hon. Minister of Finance (Mr. Robb) deserves our congratulations for the shrewdness shown in negotiating our loans in order to meet our war debts which matured during the last fiscal year. To meet these obligations, the government paid out of its revenues a sum of \$19,347,833, thus reducing our consolidated debt and saving to the country a sum of \$819,058, on the yearly interest.

The budget speech gives us an excellent idea of the enormous expansion of our trade. We recall that in 1921, the balance of trade was against us. Our imports overlapped our exports by an amount of \$29,730,763. At that time our dollar had depreciated by almost 15 per cent. To-day everything has changed: our dollar is at a premium on the American exchange and the balance of trade is in our favour.

For the fiscal year ending March 31, 1923, our exports overlapped our imports by an

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amount of \$142,716,593; in 1924, by \$165,396,430; in 1925, by \$284,429,106, and for the twelve months ending March 31, 1926, they overlapped to the extent of \$402,000,000. We are therefore justified, Sir, in saying that the years of stringency have passed and that the country is entering upon an era of prosperity such as we have not seen for a long time past.

Before closing these few remarks, I think it is wise on our part to inquire as to the course followed by the King government with regard to our foreign affairs. I state, without hesitation, that our interests were first considered. For instance, at the time of the Anglo-Turk entanglement, the Tory party, true to its principles, was ready to throw us into a new conflict, while the King government took up a truly Canadian attitude. As early as 1921, the King ministry put into practice an entirely Canadian policy, strongly opposed to the evil influences of imperialism, equally opposed to all foreign policy that clashed with the true Canadian interests. An essentially Canadian policy, it seems to me, cannot but receive the support of all those who truly love their country, and I feel convinced that the present administration will adhere to those sane principles.

Mr. A. D. CHAPLIN (Kent, Ont.): Mr. Speaker, this is the first opportunity I have had to address the House, and as a new member I hope my fellow-members will bear with me, for I will be as brief as possible. After listening to a great number of speeches I feel like the Minister of Railways (Mr. Dunning) when he said, "Let them take a dose of their own medicine," the only difference between us being that I do not care if the remark is taken ironically or otherwise.

So far in this debate, Sir, I have failed to hear one supporter of the government give the real reason for the tariff being taken out of the hands of the tariff board which was appointed days before the budget was brought down. The Minister of Finance gave as his reason a pronounced sentiment among the people of Canada that the auto manufacturers have too much protection. This puts me in mind of a certain burglary. Those involved were trying to hide their tracks by making it appear that it was an outside job, but it was found that the night watchman was the go-between and that it was really an inside job. Now, Sir, the night watchman in this job is the black knight from Saskatchewan and his crew. I have reason to believe that the Progressives were not so drastic in their demands, but the westerners from that province came to headquarters and said: "There is the dotted line—sign!" And this is the result. The only