

The Budget—Mr. Anderson (Halton)

butter 14 cents per pound, on cheese 7 cents per pound, and on eggs 10 cents per dozen. Against a tariff of that kind our products could not enter the markets in the United States.

Germany had increased her duty on wheat to 78 cents per bushel, on cattle to \$2.90 per hundredweight, on apples to \$2.50 per barrel, on honey to \$7 per hundredweight. Italy placed her tariff on wheat at 86½ cents per bushel. Belgium levied a rate of 91 cents per hundredweight against cheese and \$1.25 per hundredweight against condensed milk. France placed a rate of \$2.15 per hundredweight against condensed milk, \$1.90 per bushel on wheat and \$3.56 per hundredweight on cheese. These are the conditions which obtained when this government took office.

During the nine years hon. gentlemen opposite were in office they did not make a single effort to prevent or raise a single objection to the economic nationalism that was being developed in outside countries to the disadvantage of Canada. They made no effort whatsoever to protect agriculture or other industries in Canada against the economic nationalism obtaining outside the dominion.

Just before the election in 1930 hon. gentlemen opposite presented the Dunning budget which contained provisions for countervailing duties. This was a system by which foreign countries had the privilege of changing our tariff, raising it or lowering it at their pleasure, and we had no control whatsoever. If that practice had been followed for a number of years a staff of hundreds of civil servants would have been required to keep track of the changes occurring from day to day. During that period the tariffs in the United States had the effect of closing their markets to our agricultural products.

In 1921 our exports of farm products to the United States were valued at \$174,000,000, while in 1933 the value had dropped to \$4,000,000. The following table will serve to indicate the decrease in the value of exports to the United States in these years:

	1921	1933
Cattle.. . . .	\$ 21,240,091	\$194,960
Sheep.. . . .	1,676,445	151
Oats.. . . .	1,531,623	1,186
Wheat.. . . .	101,997,224	130,869
Wheat flour.. . . .	12,686,807	4,659
Beef.. . . .	4,485,133	24,673
Cream.. . . .	2,086,880	80,051
Butter.. . . .	2,293,980	4,348
Milk, fresh.. . . .	409,212	127
Flaxseed.. . . .	5,045,206	662,601
Wool.. . . .	2,226,780	107,882

(Mr. R. K. Anderson.)

Hon. members will see from these figures that our export market in the United States had almost completely vanished, and that country looked upon us as its best customer. They adopted a most extraordinary method of treating their best customer. Between 1921 and 1930 the Liberal policy of freer trade was in existence, a policy which was supposed to stimulate trade. It did stimulate trade so far as imports are concerned, but it reduced exports. We had a favourable trade balance in the years preceding 1930, but that favourable trade balance disappeared to the point where in the year 1929-30 we had an unfavourable trade balance of \$103,000,000. In the year 1930-31 the unfavourable balance stood at \$89,000,000. After the present government assumed office immediate action was taken to offset this economic nationalism. Tariffs were raised, and in two years we had a favourable trade balance amounting to \$9,000,000, while in 1934 our favourable trade balance stood at \$151,000,000. That figure is on the right side of the ledger. The same principle applies to governments as to individuals. If a person buys more than he can sell, he either goes into debt or into bankruptcy. In order to remain sound and solvent a person or a government must sell more than is bought.

The statement has been made, and I believe with some truth, that this is a poor man's budget. It takes from those who have and gives to those who have not. It is a warning to so-called big business that the day of reckoning is nigh, if they do not change their methods and give more to their employees. It is a step in the levelling process by which a greater share of the wealth produced by industry may be distributed among the workers. It is a pledge of the earnestness behind the new policy enunciated by the Prime Minister in his radio addresses. The surtax on incomes over \$5,000 derived from investments, and on incomes over \$14,000 from any source, is expected to produce an increase of \$12,000,000 in the income tax. This is an effort to make those who are able to pay assume a larger share of the burden of taxation. This \$12,000,000, added to \$65,600,000 which was the amount collected last year, indicates an estimated revenue from income tax in the ensuing year of \$77,600,000. That is a large amount of money to collect by way of income tax from the people in this young country of Canada.

Income tax is the third largest source of revenue open to the government. The revenue in 1934-35 from customs import duties was