

the other years was diminished by twenty-five million odd dollars, and at the end of the fiscal year just before the outbreak of war the debt was some three million odd dollars less than when the then government came into power. Although not much to the point I may add parenthetically that one reason of the increase in the year I referred to was the necessity of taking care of precious railway enterprises for which we were not responsible.

Now I come to other features of the budget. The budget proposes a reduction of taxation. Nobody can help but rejoice in a reduction of taxation as such; but I want to know what justification this government has for proposing to this House to reduce taxation. With a deficit of forty millions, or in that neighbourhood—and it would have been much higher but for the money they found by the roadside—how do they justify a reduction of taxation at all? I wonder does the Acting Minister of Finance really expect that he is going to be able to balance the budget this year upon which he has launched? To-day his revenues are going down. I venture to say he will not get any one hundred and twenty millions next year on his sales tax. He collected last year about forty-seven millions more on his sales tax out of everybody in the country than was collected two years before. True he collected about forty-two millions less on income and profits taxes. On those taxes which were always said to be taken from profiteers he gets about forty-two millions less than we did. But he got last year some forty-seven millions more from the sales tax which comes from everybody, thus fulfilling the prophecy of the Minister of Labour (Mr. Murdock) "that the masses were to be relieved and the profiteers or malefactors were to be mulcted." I do not think the Acting Minister of Finance looks forward with much equanimity to balancing his budget for the year to come unless he intends an extension of the practice which accounts for the "surplus" of this year. No, on the showing of the past year and with no evidence of any further retrenchment—no evidence at all events until we are sure what the supplementaries are going to be—I do not think he has any right to reduce taxes at all. We hear a lot of late about reduced estimates, but when we come to this session and find the expenditure of the year greater than for the year before, even though the estimates were less, I do not believe we have much ground for hope that there is going to be any substantial economy.

So far as sales tax reductions go, they certainly should be made just as fast as economies will justify, just as fast as the year's returns will show to be possible. Those taxes come from everybody. They necessarily impede business. I think imposed on a small scale they are a fair tax. I do not think we can get on wholly without them. And I do not object even to special favours going to those who now, owing to world conditions, are under specially difficult handicaps. I do not object to special favours or privileges going to agriculture such as the wiping out of sales tax on implements because agriculture to-day the world over labours under difficulties very great, but I do sometimes wonder how hon. members to my left can accept these special privileges. I have read their newspapers. I have listened to many of their speeches. Have they not been roaring for many a year against "special privileges," and how in the world they find it in their hearts to take these special favours, I am at a loss to know. I am not objecting to them in any way. You have to meet conditions as they occur, and you have to do the things which will meet them.

Now I speak of the tariff reductions those which reduce the revenue by the whole sum of \$750,000, around which this debate has largely centred. We have had tariff discussions in parliament as long as I have been here, and for many and many a decade before, and I do not know that I can add very much to a general tariff debate. I do hope though in a brief way to lay my views before the House. I have opinions on the question,—opinions that are not in principle different from those with which I entered parliament, not in principle different from any I have ever expressed in or out of this House, but matured, I hope, by some years of experience and observation of practical affairs. I believe in the protective system, I believe when we have a protective system it should be balanced, and it should be equitable. If I disbelieved in a protective system, but found one applied, I would still want it to be equitable; I would not want it "gerrymandered," to use the excellent expression of the hon. member for Sherbrooke (Mr. McCrea). A tariff which treats one manufacturer one way, or one class one way, and another in a different way, cannot be defended by any person. The free trader from his standpoint can defend a tariff on goods not Canadian-made for such alone is a revenue tariff, as well defined by the hon. member for Springfield to-day. The protectionist can defend a tariff on Canadian-made goods fairly and equitably applied. But no human being can defend what

this government presents, either on the theory of free trade or on the theory of protection or on any principle at all.

Has anybody tried? I have not heard anybody try. Ministers have risen, one after the other; but oh, such defences! Could I illustrate better than from the words of the Solicitor General (Mr. McMurray). He was fair; no one can dispute his fairness. He supported free trade till six o'clock, and protection after eight o'clock. Up till six o'clock he denounced the whole principle of protection, but he pleaded with hon. members of this House to allow this government to continue it, saying that a great blunder was committed in that it ever was established. But once established, he said, it is hard to get rid of. After eight o'clock, when he found that he himself had assisted in putting a new protection on artificial silk, he said the Liberal party was always in favour of commencing industries by a protective tariff.

The protective system is in use in most of the world; indeed, there is only one important country to-day which does not follow it. The presumption would be, I think, that granted a fair distribution of intelligence the world over, there is at least much to say in its defence. The common judgment of humanity persisted in year after year for centuries has not often proved to be far astray, especially in regard to commercial matters. What has the hon. member for Brome in his mind just now?

Mr. McMASTER: I had in mind that for years and centuries the common judgment of mankind said that the earth was flat.

Mr. MEIGHEN: Yes, the common judgment is sometimes wrong about astronomical facts; but the man who places a question of commercial practicability in the same category as astronomical facts is not very likely to reason properly about either. The purpose of a protective tariff is to secure a distribution of industries in the country which adopts it, to secure a better distribution and diversity of occupation. I do not doubt that if the world were all one and it did not matter at all what particular part advanced more rapidly than the other, if conditions in every country were alike, if, in a word, the whole idea of nationality were abandoned, then there would be much to be said for free trade. But even then it would in my judgment result in a concentration of industries and occupations to a tremendous degree. It would lessen the distribution of the activities and occupations of people throughout the length and breadth of the globe, and therefore—I am not sure that it

would add to the happiness of humanity. But in the world we live in to-day, where the unit is the nation and where the purpose of national policy is to serve the whole, I am utterly unable to understand how any country especially a young country, ever expects to secure diversity and distribution of occupation without a protective system. But of all countries which could so expect, surely this would be the last.

It may be that a nation far ahead, a nation which has the advantage of vast and long experience in production, a nation which has great facilities in world banking, which has tremendous plants and a large population to cater to, would be as well under free trade. Certainly it would be far better if all the rest of the world would be good enough to follow suit. But here we are situated alongside of the furthest advanced industrial nation of the world—we have to direct our affairs with constant relation to this truth—a nation which holds a tariff in front of us year after year, decade after decade—I almost said century after century—a nation which almost absolutely denies us access to its markets save for such raw products as it has to have in order to make money in their manufacture.

Mr. MORRISON: What about our farm implements? They have access to that market.

Mr. CALDWELL: What about boots and shoes?

Mr. MEIGHEN: I had better answer the hon. member now. He says: Oh, they do not put up a tariff against farm implements. They put it up against farm products and manufactured goods, but implements and boots and shoes they let in free. So the hon. gentleman says that we ought to let our tariff down because now we can get into their markets. I venture to say that if he will speak to any hon. member who represents a constituency where boots and shoes are manufactured, he will find no boot and shoe manufacturer, "with gray matter in his skull," to use the ornate language of the hon. member for Springfield (Mr. Hoey), who, having control of the capital of an organization will invest that capital in a factory in Canada whose product is to be sold in the United States—adapt his plant to produce goods to meet the various tastes there—for he knows that, even with the United States tariff down, harassing restrictions and every possible obstacle will be put in his way, and as well that in the course of two years, the tariff may go up and all his investment be lost. This has been