

The Budget—Mr. Bertrand

will the farming class suffer, but all classes of our population will necessarily feel the effects. The evil is far greater than one imagines. Certainly special consideration, at this session, should be shown to this class of people,

When the Minister of Finance (Mr. Rhodes) brought down the budget, I heard with great satisfaction his statement that a conversion loan would be effected at an opportune time in order to lower the rate of interest on our national debt. Rest assured, sir, that this measure will receive our full support. I would request the hon. Minister of Finance to go one step further; first, to reduce the rates of interest on our national debts in order to alleviate the burden of taxation to our people, particularly from the viewpoint of safeguarding agriculture; furthermore, I would request him to fix a very low rate of interest not only on our national debt, but also on all liabilities contracted by the people of Canada. That might immediately result in preventing large financiers from drawing so large incomes, but in the long run it would tend to place on a same level the various classes of society. This would be quite a progressive step to relieve the burden which bears directly or indirectly on our farming community.

Over a year ago, I had the opportunity of referring to the same subject and also requesting the hon. Minister of Finance (Mr. Rhodes) to lower, to 2 per cent, the rate of interest on our national debt. I do not wish to convey that he accepted my suggestion, however, I am pleased and take pride in noting that events have proved that I was right. I, therefore, request that the national debt be converted to one bearing interest at 2 per cent, and if this conversion is not accepted with good grace, then it should be made obligatory. This would be a kind of communism of the mildest type as a sop to the distress actually prevailing in all classes of our society. This rate of 2 per cent interest should also apply to all liabilities which I mentioned a moment ago.

Now, sir, I shall endeavour, in a few words, to show the fallacy of the argument set forth by the hon. Minister of Trade and Commerce (Mr. Stevens) who tried to prove that the volume of our trade had not decreased since 1930. In support of his argument, the hon. minister pointed out the fact that, in 1930, our exports amounted to \$895,000,000 and that, in 1932, if our products had been estimated on the price obtained in 1930, our volume of exports would have amounted to \$840,000,000; there was, therefore, only about 5 per cent decrease. That may be so as far as the volume of our exports is

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concerned, however, let us face the facts as they are; is the heavy burden of our liabilities not greater than in 1930 or 1928? There is no question that our liabilities and taxes have greatly increased since 1928. I ask the Minister of Trade and Commerce—let him reply later—how will the farmer be able, when his farm returns decrease in the proportion which I shall establish in a few moments, to meet heavier liabilities than in 1930 and especially than those of 1928.

In 1928, the value of Canadian field crops amounted to \$1,053,817,000; while in 1932, they had dropped to \$416,586,000. Therefore, if we follow the same line of argument, as did the hon. Minister of Trade and Commerce, it would mean a loss to the farmers of \$637,231,000 or 60 per cent of the value of their crops. Their live stock in 1928 was estimated at \$197,880,000 and, in 1932, at \$70,211,000, consequently, there was a loss, for the farmers of this country, amounting to \$127,669,000 or 65 per cent. Further poultry and eggs were estimated at \$106,653,000 in 1928, and in 1932, at \$54,490,000, again there was a loss of \$52,163,000. How will the farmer be able to carry on with increased taxation placed upon his shoulders, when he has to put up with such reduction of the value of its products on domestic or foreign markets. Certainly, the farming community is the most affected throughout the present depression.

Other classes of society do not feel the pinch of the crisis as much, may I mention, for instance, money lenders who benefit by high rates of interest, large business undertakings, financiers and banking institutions—if the latter can be classed with the others. In 1928, an amount of \$184,079,154 was distributed in dividends and, in 1932, \$164,962,592; therefore, only a 10 per cent decrease in their revenues. These profits taken on the public of Canada necessarily reduced the purchasing power of our people. That is certainly an obstacle which disturbs the monetary equilibrium of this country.

This evil must be remedied. These large financial organizations and industries are protected while other classes of society do not enjoy the same privileges. Bondholders are thus highly favoured. In 1928, the dividends paid on bonds amounted to \$335,000,000, while in 1932 they amounted to \$400,000,000, namely, an increase of \$65,000,000.

If the situation is actually as I have described it, I really think that the minister will not hesitate to do his utmost to reduce the rates of interest to the lowest mark possible—if it cannot be done willingly let it be compulsory—to reestablish the economic equilibrium of all classes of society.