

The Herald

WEDNESDAY, JUNE 1, 1921

Mr. McIsaac's Speech

(Continued from page 1.)
No doubt from year to year, as the Government will find that they have cash at their disposal, they will continue this method of reducing the financial obligations of Canada by acquiring a number of these bonds, removing them from the market and cancelling them, so that they will no longer form part of the debt of this country.

Another feature that has been presented in the fiscal statement of the Minister of Finance, is, I think, worthy of consideration, inasmuch as it shows what part of the debt created by the war, which, of course, was a debt that was unavoidable and to which no estimated bounds could be placed, has been taken care of out of the current revenues of the country from 1914 up to the present time. This statement is to be found in the Budget presented by the Minister of Finance—and it is important to note it—that notwithstanding the largely increased cost of government, apart altogether from the war—and the expenses of the Government were much increased during these years—the country's war activities have been financed to a certain extent out of the current revenue. The net result of financial operations in this country from 1914-15 up to and including 1920-21, a period of six years, shows that war obligations, current and capital, have been met and paid to the extent of \$698,809,700. That, I think, is a most gratifying feature of our present financial operations. It is one that, perhaps, we would not be disposed to take very much note of; but it is one deserving of the greatest possible consideration; it is one that shows how carefully our finances have been guarded; how carefully every phase of our public business and fiscal operations have been taken care of by the Government and the Minister of Finance.

With regard to the financial operations of last year, no new loans have been issued, and I think that is a matter for congratulation. I think it is also a matter for congratulation that in view of the world-wide trade conditions Canada has come through this trying period with a better showing than most other countries. Our position in comparison with other countries of the world is really an enviable one.

Turning to the current year upon which we have just entered, the uncertainty is no doubt greater even than last year, especially as to the revenues of the country. There are many reasons for this. In the first place, the Finance Minister finds it very difficult accurately to forecast what the probable revenues may be. This uncertainty is due to several causes. He feels satisfied, however, that the revenue from customs taxation will be somewhat diminished. Again, we have to take into account the tariff legislation which has just been passed by the United States. It is difficult to see just what the future holds in store in that direction; there may be some further legislation in this Parliament which may ameliorate present conditions, but so far as we can size up the present situation a diminished customs revenue is expected, and we have the Young Tariff Bill imposed against us as well as other countries by the United States; so the situation this year presents considerable difficulty for the Finance Minister.

From ordinary sources the Finance Minister expects to raise, unless all signs fail, a minimum of \$373,000,000. The Main Estimates for the year have already

been tabled; there may be, however, some Supplementary Estimates brought down. Altogether, the Finance Minister calculates that a total revenue should be raised this year of at least \$435,360,971. The outlook, it must be confessed, is not the most encouraging, but I am satisfied that from the taxes which the Finance Minister is imposing, together with the revenue we expect to derive from one or two other sources, we shall raise sufficient to enable us to make up the difference between our expenditure and our ordinary revenue.

There is, for instance, the new sales tax. There is no doubt at all that the revenue from that will be very much increased this year over last. Then there is the increase in the liquor duties, from \$5 to \$10 per gallon. Probably we shall not have any liquor in Canada at all now, because there is prohibition in nearly all of the provinces. However, if any liquor is obtainable, those who drink will have to pay the price, and I suppose that is only right. Most people will agree that liquor is a luxury, and the man who wishes to indulge in that luxury must be prepared to pay the tax. I imagine only the wealthy will be able to indulge in this luxury in view of this new taxation. I think from these two sources alone the Finance Minister will be able to derive quite a large amount of money.

I do not wish to say very much about the income tax, as that has already been referred to by a great many other speakers in this debate. It is noticeable, however, that the revenue, derived from income taxation last year was very much in excess of the amount received in previous years, and I have no doubt that there will be a still further increase this year. Some criticisms have been offered as to the form in which the returns have to be made out. It is said that it is a little difficult for the ordinary man to make out an income tax return. That may be so. The Minister of Finance will no doubt be able to remedy that, and I understand that he intends to do so. So far as I am concerned, I have always been able to make out my return for the little amount I have to pay to the treasury, and I think most ordinary mortals with a little assistance are able to make out a return in a manner that will be understood by the officials of the department.

There is another source of revenue. We have a credit with Great Britain of \$150,000,000. That is the amount they owe us, and it is possible that within the coming year some portion of that may find its way into the Dominion treasury. I think from these three sources alone we shall derive a sufficient amount to enable the Finance Minister to meet the expenditures of the country, and perhaps leave a surplus over at the end of the present fiscal year. I appreciate the fact that mere figures are not very interesting, but in a Budget debate one can hardly avoid dealing with figures to some extent.

However, I shall now take up another phase of the Budget which I shall endeavor, if possible, to render somewhat more interesting. The tariff is a subject that is very much discussed at the present time, and a good deal of fault has been found with the Government by our friends opposite because no general revision of the tariff is contemplated immediately. There are many reasons why a tariff revision at this juncture would be inopportune. I have already referred to the adverse legislation which is about to become operative in the United States and which may necessitate very

radical and far-reaching changes in our present fiscal arrangement in order that we may properly protect Canada's interest from the injurious forces of the Act which is going through Congress at Washington. Under the circumstances, every one who gives any thought to the subject must concede that it is only the part of wisdom that the Canadian Government should be circumspect at the present time and make no great changes in our tariff until we know how the adverse legislation of the United States will affect us in every respect. I do not intend to say very much more on that question, but I think that the tariff which we shall have in this country, after the United States tariff becomes operative, should be framed in such a way as to protect Canadian interests as far as possible. Of our total imports last year, amounting to a sum very considerably over \$1,000,000,000, there came from the United States goods valued at \$356,000,000 odd, or 69 per cent of our whole import trade. That fact in itself constitutes a sufficient reason why we should be very deliberate and careful in any changes we make to our tariff; we must of necessity, in our own interest, wait until we see how the adverse legislation at Washington is going to affect us. Although no extensive revision of the tariff is being made, however, there are some changes, due to one cause or another, particularly in respect of the trade agreement with the West Indies which was recently ratified by both Houses.

In reference to the subject of taxation, the principal changes are the abolition of the business profits war tax, the removal of the so-called luxury tax, and the increase in the rate of the sales tax, matters which will come up for consideration when the House is in Committee of Ways and Means. I think, Mr. Speaker, that is all I shall say on the subject of expenditure and taxation.

I might properly refer, before going further, to some of the statements that have been made, and the attitude that has been assumed in this debate, by our friends on the Opposition side. The hon. member for Shelburne and Queen's (Mr. Fielding), a former Minister of Finance, has voiced some rather strong free trade sentiments. Now, as everyone is perfectly aware, our Opposition friends have not been very consistent on the important question of the tariff. From time to time, while in Opposition, they have strongly advocated free trade, but while in office they were unquestionably protectionist. Throughout the fifteen years the hon. member for Shelburne and Queen's was Minister of Finance he was a consistent protectionist; he presented to the House every year a protectionist budget. He made no essential change in the tariff which the National party had had in force up to the time his Government took office. While hon. gentlemen opposite were in office they had a protective tariff amounting to an average of nearly 27 per cent; at the present time, this Government, whom they are pleased to describe as high protectionists, are carrying on the public affairs under a tariff which is about 5 per cent less than that—a trifle over 22 per cent. In the face of that, how can hon. gentlemen opposite talk free trade? A year ago, when the hon. member for Shelburne and Queen's was discussing the budget, he was inclined to the view that free trade was not practicable; that there was no such thing as free trade. I shall quote his words in a moment or two, and endeavor to show the contrast between his opinions then and those which he expresses now. Last year he did not seem anxious to fraternize

with his friends on the left of him, the Agrarians; he rather gave them the cold shoulder. This year, however, it would appear, he is disposed to get closer to them, or have them draw closer to him. He evidently wants the two sides to coalesce and work together. Well, as a matter of fact, that is just what they are doing, conceal it as they may, endeavour to hide it as they will. Their object is to impede the Government, no matter what their assumed attitude may seem to be. One member on the other side gets up and utters some protestive views, and another talks free trade. It is a drama; they are all actors, and each member of the dramatic personae has his own little part to perform. But the tout ensemble is a campaign against the Government. What is the drama they are acting? A tangled web of political deception. Their object is to deceive the people with the ultimate end in view of getting into power. They want to throw dust in the eyes of the people; they are trying to pull the wool over their eyes. While they are ostensibly preaching free trade for the benefit of the people, they go round secretly and whisper confidentially into the ears of their friends, the manufacturers, that everything, from their viewpoint, is safe and sound. They tell these people: "Don't be afraid of us. You know we did nothing to you before. Don't mind our talking this way about free trade; you know it means nothing. Let us say this and that about free trade for the sake of effect; you know what we will do when we get in. That is the way they have been acting, Mr. Speaker, and in order that I may be able to convict them I shall quote from Hansard. I desire to read from the statements of the hon. member for Shelburne and Queen's, quoting Hansard."

I will now read from Hansard of 1920 to show what the hon. gentleman's views were last year, and I will then contrast these views with what the hon. gentleman has stated during the present debate.

An hon. Member: Louder.
Mr. McISAAC: Let my hon. friends opposite prick up their ears. If they want me to read loud I will read it so sonorously that it will be heard from one end of this country to the other. My hon. friends need not be alarmed; I will read it loud enough for them. At page 2508 of the Hansard of May 18, 1920, the hon. gentleman is reported as follows:

While it is true that at all times for many years all our tariff discussions have been more or less tinged with the question of free trade, there has of late been a revival of what I may call the free trade movement, and the free trade question is now thrust to the front of our tariff discussions in a larger way than it has been in recent years. That, I take it for granted, is because our farmer friends—

Now listen to this: Our farmer friends attach so much importance to the matter and have pushed it into their platform. This is how he treated them last year:

With all due respect to them, I take the view that free trade is not a practical question in our tariff discussions of today. He went on to say: There are some things that we would do well to remember. In the first place, it may be well simply to remember that there never has been in the Dominion of Canada such a thing as free trade. There is not anything of the kind now, and with all due respect to those who may be described as extreme free traders, I think it is no wild guess to assert that there will be no absolute free trade in Canada within the life time of any man who sits in this House today. It is not practicable.

I would like to know what it is that induced the hon. member to change his views since last

year. In order to show the nature of that change I will read a quotation from the hon. member's speech on May 10, inst. I do so in order that hon. gentlemen may see for themselves that it is quite a change—

Some hon. Members: Hear, hear.
Mr. McISAAC: I am glad my hon. friends opposite like it so well. It is a matter of deception, it is only a little change in the way of putting the question before the people. The hon. member for Shelburne and Queen's said on May 10, inst:

If there are any people in Canada who are contemplating the establishment of new lines of business in which they feel that tariff protection is necessary, I do them a friendly service when I say, "Don't do it!"

He is dead against any protection this year, but he was rather inclined towards it a year ago.

—because anybody who counts upon the continuance of a protective policy is bound to find that he is pursuing a delusion. If any outside capitalist purposes coming to Canada to start some industry which he believes can only be kept alive by protection, again I advise him not to come.

What does this mean? If we take this statement at its face value the ex-Minister of Finance of Canada gives his country a black eye, because he says: If there is anybody coming here with the hope that he may have a chance of advancing, progressing and building up a business under the present tariff, let him stay away; we do not want anybody to come. In effect he declares: The country should be ostracized so that nobody will come here. Such is the patriotic sentiment expressed by this hon. gentleman.

Some hon. Members: Hear, hear.
Mr. Lalor: It is the members of the Farmers' party that are applauding.
Mr. McISAAC: If that is so I am glad to know where they stand. Now let me read what was said by another hon. gentleman in the ranks of the official Opposition. I wish to do so in order to corroborate the statement I made a moment ago that it does not matter just what they say here in Parliament; they are acting one way; they are acting in this little agreement to deceive the people, and practise political deception in order that they may possibly gain some political advantage therefrom.

Some hon. Members: Oh, oh.
Mr. McISAAC: I am pleased to know that this exposure is so pleasing to my hon. friends opposite. It may not be so amusing when they come to the realization of what this deception means. The hon. member for North Cape Breton and Victoria (Mr. McKenzie) also spoke upon the tariff question. He is one of the front benchers on the Opposition side. An hon. Member: He is the ex-leader.

Mr. McISAAC: Yes, he is an ex-leader. He was a temporary leader, but he is now ex-temporary leader. He was they call a locum tenens. That is, he was holding the place of a leader; he is now an ex-locum tenens of a leader. When it comes to the matter of coal and steel, products peculiar to his own province, my hon. friend is a protectionist; he does not deny it, and he says:

I say—
—gives a little higher price; let the officers and the experts of the Government in connection with coal fix what that price should be within fair limits, and let the preference be given to Canadian coal as against the coal and steel of foreigners who have a bigger market, bigger capital and bigger production than we have.

He goes on to say: I take that position and I think it can be very well maintained. Although our coal may be a few cents higher in price, when you consider that our railroads will be carrying our own goods, and that directly and indirectly it is to the advantage of our own people that the Government and the Government railways should use our own coal, it will pay the Government to give the preference to the product of their own country.

A little further on he says: But if they buy coal from a Canadian, he gets the money and it goes from one hand to another, building up the trade and industry of the country and supporting the families of the Canadian people.

That is good protectionist doctrine. I do not know just exactly how he is going to vote on the amendment.

Continued on page 3.)

Auction Sale

There will be sold in front of the Law Courts Building at Charlottetown, in Queen's County, in Prince Edward Island, on Saturday, the 25th day of June A. D. 1921, at the hour of Twelve o'clock noon: ALL that tract, piece or parcel of Land situate, lying and being on Township Number 36, in Queen's County aforesaid, bounded and described as follows, that is to say: On the North by the Port Augustus Road, on the East by the Garland Road, on the South by the Pond Road, and on the West by lands now or formerly occupied by John Smith and by John J. Cumiskey, containing by estimation Ninety Acres of Land, a little more or less.

The above sale is made pursuant to a Power of Sale contained in a Mortgage dated the 21st day of January, A. D. 1892, and made between James Garland of Webster's Corner, Lot Thirty-six, Farmer, John Garland of Pond Settlement, Farmer, Frances Garland of Pond Settlement, Spinster, Elizabeth Garland of Pond Settlement, widow of the late John Garland, and Annie Garland, wife of the said James Garland, of the one part, and Duncan C. McLeod of Charlottetown, in Queen's County aforesaid, Barrister-at-Law, of the other part, said Mortgage being now vested in the undersigned.

For further particulars apply at the office of McLean & McKinnon, Barristers, etc., Charlottetown.

Dated this 31st day of May, A. D. 1921.

JAMES H. GREGOR,

Assignee of Mortgage.

June 1, 1921—41

Mail Contract

SEALED TENDERS addressed to the Postmaster General, will be received at Ottawa, until noon on Friday, the 15th July, 1921, for the conveyance of His Majesty's Mails on a proposed Contract for four years, six times per week, on the route, Bonshaw Rural Mail Route No. 2, from the 1st of October, 1921, next.

Printed notices containing further information as to conditions of proposed Contract may be seen and blank forms of Tender may be obtained at the Post Office of Bonshaw, and at the office of the Post Office Inspector.

JOHN F. WHEAR,
Post Office Inspector,
Post Office Inspector's Office,
Charlottetown, May 28, 1921.
June 1, 1921—31

Dominion of Canada
Province of
Prince Edward Island

In the Probate Court, 12th
George V. A. D. 1921.

In Re Estate of John C. Morrissey, late of Charlottetown, in Queen's County in the said Province, deceased, testate.

By the Honourable A. Bannerman Warburton, Surrogate Judge of Probate, &c., &c.

To the Sheriff of the County of Queen's County or any Constable or literate person within said County.

GREETING:

Whereas upon reading the petition on file of Reverend Peter D. McGuigan, of Vernon River, Priest, and Patrick Morrissey, of Orwell, in Queen's County aforesaid, Farmer, the Executors of the above-named Estate, praying that a citation may be issued for the purpose hereinafter set forth: You are therefore hereby required to cite all persons interested in the said Estate to be and appear before me at a Probate Court to be held in the Court House in Charlottetown, in Queen's County in the said Province, on Monday the Twenty-seventh day of June next, coming, at the hour of Eleven o'clock, forenoon of the same day, to show cause, if any they can, why the Accounts of the said Estate should not be passed and the Estate closed, as prayed for in the said petition; and on motion of John S. MacDonald, Esq., Proctor for said petitioner.

And I do hereby order that a true copy hereof be forthwith published in some Newspaper published in Charlottetown, in Queen's County aforesaid, once in each week for at least four consecutive weeks from the date hereof, and that a true copy hereof be now forthwith posted in the following public places respectively: In the Hall of the Court House in Charlottetown aforesaid; at or near Crabbie's Corner, and at the City Weigh Scales in Charlottetown; so that all persons interested in the said Estate as aforesaid may have due notice thereof.

Given under my Hand and the Seal of the said Court on this Twenty-first day of May, A. D. 1921, and in the Twelfth year of His Majesty's reign.

(Sgd.)
A. B. WARBURTON,
Judge of Probate
May 25, 1921—41

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