

*The Budget—Mr. Fielding*

I have to make my choice between the compliment that is paid by the leading Conservative organ of Canada, and the severe criticism offered by the leader of the Opposition, who complained that I did not weary my listeners with these long tables.

The leader of the Opposition also emphasized this notion of the hon. member for West York (Sir Henry Drayton) about jacking up the tariff, and the general cry for economy. What now is the financial difficulty in the way of Canada? What are the causes of our embarrassment so far as we have any, because I do not admit that the embarrassment is very serious? What prevents our having a satisfactory budget? Two things. The war, as hon. gentlemen will surely admit, and the railway question. I do not want to debate the question of who is responsible for either of these things. Least of all do I want to blame the hon. gentleman for expenditures on account of the war. But this I have a right to complain of, that while I willingly share with him any responsibility for those expenditures, he discusses the causes of the present difficulties we are in and attributes them to us. He is not fair in so doing. He is constantly talking of the difficulties with which we are faced, and assumes that they have resulted from some conduct of our own. He tells us again and again that we have increased the sales tax and in that way have added to the burdens of the people. He asks, why do you not balance the budget? And many an hon. member on the other side reiterates the same question. Well, in the budget speech I pointed out what I thought were good reasons for our inability to do this; I stated that it was much better to bear patiently for a year or two the condition we now have, and to have faith and hope and a firm belief that the betterment which we all long for will come in a short while, than to impose new taxation. But if my hon. friend insists so emphatically on the necessity for balancing the budget, why did he not do it in his own day? Only now he discovers that we cannot balance the budget. He says, "You are increasing the sales tax." He did not increase the sales tax in 1921, but he was content to add \$92,000,000 to the debt of the country—a much simpler process in a way, but not quite so satisfactory, I think. He did not increase the sales tax in 1922; no, Sir, he preferred rather to add \$81,000,000 to the public debt. And if things had gone on in that way and the right hon. gentleman had remained in power, heaven only knows what would have been the condition of affairs last year

[Mr. Fielding.]

Heaven only knows what the public debt would have been. We thought it was wise to face the music, to recognise the facts, and to meet the obligations that were before us.

I do not stop for one moment to consider who is or who is not blameable for the fact that we have these large obligations; I simply declare that the right thing to do, in the face of them was to increase taxation in some form or other to meet them. We increased the sales tax. If we had been willing to follow my hon. friend's example and to allow the whole burden to be added to the public debt, we need not have increased the sales tax. But we did increase it, and we did so for good reasons; and having done so we think there is nothing for us to apologise for. We did not balance the budget: we hope we shall be able next year to do so, but whether we do balance it or not, we are facing our obligations; our path is in the right direction and we are endeavouring to make ends meet. So that if we have to add something to the public debt it will be because conditions oblige us to do so. In the meantime, we say to the country that the policy which offers them exemption from other new taxes is a wiser policy than that which the right hon. gentleman would recommend.

Now, with regard to the question of reciprocity, when we undertake to consider all that is involved in this question we assume a very great responsibility; and I confess I have some reason to rejoice in the attitude of my right hon. friend, not that I approve of it, but because it is some satisfaction to have a clear issue before one. My right hon. friend says that these resolutions which we have embodied in the budget do not amount to anything; he tells us that they will not accomplish anything. Well, I do not know whether they will or not. I do think, however, that it is desirable nevertheless that the resolutions should be there; I think it is desirable to have a clear-cut statement in the most official form of the desire and the willingness of the people of Canada to enter into a friendly arrangement with the government of the United States whenever that government is prepared to consider any proposals in the direction of reciprocity; and just as it was deemed wise in 1879 to introduce this proposal into the Tariff Act of that day, which proposal was commonly referred to as the standing offer, so I think it is wise to-day to re-introduce that standing offer, not because there is anything new in it, or because we expect that we shall gain anything by it,