

THE BUDGET

ANNUAL FINANCIAL STATEMENT BY
HON. W. S. FIELDING, MINISTER OF
FINANCE.

Hon. W. S. FIELDING (Minister of Finance, member for Shelburne and Queens), moved:

That Mr. Speaker do now leave the Chair for the House to go into Committee of Ways and Means.

He said: Mr. Speaker, eleven years have passed since I last had the pleasure of delivering the Budget Speech in this House of Commons. During these years, and particularly since the year 1914, a great change has come over the financial position of the Dominion. I am sometimes afraid that the full character and the consequence of that change are but inadequately appreciated and understood by the majority of our people. That Canada has built up a very large public debt; that the interest alone on that debt calls for an enormous sum of money, greater indeed than the total expenditure of Canada but a few years ago; that we have a large pension list; and that in various ways we have added enormously to our obligations, are facts well understood by all close students of our public affairs. I think they may possibly be understood in a way, a vague and hazy way perhaps, by the broader public whom we sometimes typify as "the man in the street." He has an opinion, no doubt, that things are a little more serious than they used to be; but I do not think he has quite appreciated the full consequences of the change. Some things are happening as in the good old days. The board of trade, the chamber of commerce, the city council, the town council, and all the other excellent organizations which exist for the advancement of the community, hold their meetings and pass their resolves. They decide at once that for some particular thing which is dearest to their hearts they must instantly have a large appropriation, and then they send sheaves of resolutions to that effect, sometimes following those up with delegations in carload lots to impress upon the Government the necessity of complying with their request. Have these people no notion whatever of the situation? It would hardly be fair to say that. Yes, they have a notion in a way; they have a formula of their own; and they will say to the ministers: "Gentlemen, of course we understand that the situation is a little more

anxious than it was wont to be; of course, there is need of economy. But the particular thing we want, everyone must admit, is entirely an exception to the rule." We are all in favour of economy for the other fellow, but we are not so ready to recognize the need of economy in the case of the things that are nearest and dearest to us ourselves.

I must to-day present two thoughts which are of paramount importance. The first is as to the need, the deep and earnest need, of economy. That means that we must appeal both to members of Parliament and to the people to pass what I may call self-denying ordinances. They must not expect all the things which in the good old days they got so readily,—it may be a railway, a bridge, a public work of some kind, a public building, a breakwater, a pier, or any one of the numerous things which we should all like to have, all in their way useful in the development of the community, all desirable, some of them even urgent under better conditions. But it is unpleasant to have to tell people, in most cases, that these things must for the present stand aside. The second thought is that, with all the economy that we can practise, there will still be need of severe examination into our taxation system. It is not pleasant to have to increase taxes, but the fact is that under our present taxation system, I am afraid, with all the economy we can practise, there will not be sufficient means to meet the various obligations of the country. And so we will have to ask the consideration of hon. members and of the public in order that there may be a proper appreciation of these new conditions that have arisen.

The accounts for the fiscal year 1920-21 have been published and distributed, so that one need not dwell upon them to any extent. The budget speech necessarily takes some account of three years—the year which has passed and for which we have the public accounts, the year that is sometimes current—in this case it happens to be just finished;— and we have to have some regard to the year ahead.

Income and Expenditure

For the year 1920-21 the public accounts show what is called a surplus, to the amount of \$73,268,391. Old members may recall the discussions that have taken place in this House from time to time with regard to the manner in which a surplus is declared. A Finance Minister who has

