

the discretion of that board. The question of the advisability of amending the Pension Act is for this House and parliament generally to consider. It is the intention of the government to bring down legislation during the present session with a view to remedying the grievances which have been uttered more or less all over Canada by the ex-service men. It is hoped that these amendments will meet the situation. Again repeating myself, I say that, as far as an interpretation of the act is concerned, it is entirely within the power and authority of the Board of Pension Commissioners.

Mr. MANION: The Board of Pension Commissioners, according to the ruling of the commission—I do not wish to discuss it, and I shall not do so except to say one word—having put up certain information to the minister for interpretation, and having finally taken their own interpretation, perhaps not according to what the minister had said, point out that these clauses should be interpreted to a certain extent with different points in view. Under the circumstances, does the minister not think that he might direct the Board of Pension Commissioners to interpret the act in the most broad-minded way possible, and will not he promise the House to bring down the alterations which he suggests at a very early date?

Mr. BELAND: The minister has on repeated occasions, in memoranda addressed to the Board of Pension Commissioners, asked for the most generous interpretation of the act. The contention of the Board of Pension Commissioners is that they have always remained within strict interpretation of the statute. The remedy, therefore, would appear to be in an amendment to the statute, and this amendment, or these amendments. I propose to introduce in the House as soon as possible—as soon as the budget debate is over. Whatever legislation may be adopted by this House or by parliament would not take effect before it is assented to by His Excellency which would happen only at the time of prorogation. But I repeat that I expect that it will be possible to amend the Pension Act so that the complaints which have been uttered during the last year or year and a half will be remedied. That assurance has been given by myself to all those who have done me the honour of corresponding with me either by letter or telegram.

SOUTH SHORE BRIDGE

On the Orders of the Day.

Mr. ARCHAMBAULT: I wish to direct the attention of the Minister of Marine and
[Mr. Beland.]

Fisheries (Mr. Lapointe) to the fact that an order was agreed to on the 23rd April last, regarding the construction of the South Shore bridge. When may we expect that return?

Mr. LAPOINTE: I have been advised that this report will be handed to me in a few days, and I shall be pleased to lay it on the Table.

THE BUDGET

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

Hon. W. S. FIELDING (Minister of Finance): Mr. Speaker, I think the rules of the House permit that you should leave the chair without a motion, but as that will not carry out the object in view, I will move that the House do resolve itself into Committee of Ways and Means.

Mr. SPEAKER: Rule 17 C provides that on Thursdays and Fridays, when the Order of the Day is called for the House to go into Committee of Supply or Ways and Means, Mr. Speaker shall leave the chair without putting any question. Though that is the letter, it is not the spirit, of the rule. The budget speech must be delivered before the House and not before the committee. Therefore, living up to precedent, I shall put the question: Mr. Fielding moves, seconded by Mr. Lapointe that I do now leave the chair for the House to resolve itself into a Committee of Ways and Means.

Mr. FIELDING: The financial affairs for the fiscal year, 1921-1922, which was the last year of which we have the public accounts, call now for only a passing notice. With regard to that year, the year ended 31st March, 1922, it is worth while remembering that while the present government were in power at the time the accounts were made up at the close of the year, they had only been in power three months, and, therefore, it will not be unfair to treat that year as a Conservative year, inasmuch as the Conservative government of the day, in the discharge of their duties, prepared the estimates and voted the money, made the contracts, and practically controlled the expenditure of the year. So that I think we may count that year, practically speaking, as a Conservative year. I am going to ask at this stage, and at one of the other stages during my remarks, that the courtesy of the House be extended to me, which is usual, to enable me to put into Hansard, in the form of a summary some figures which I may present.

Income and Expenditure

The revenue for the year was \$381,952,386.99 against ordinary expenditure of \$347,560,690.63.

If the surplus is to be ascertained by comparing the ordinary revenue with the ordinary expenditure—and that was the time-honoured way of determining surpluses—then on that year there was a surplus of \$34,391,696.36. But there was a capital expenditure of \$16,295,332.55. If we take that into account, both ordinary expenditure and capital expenditure, there was still a surplus of \$18,096,363.81. Then there were certain special expenditures, including demobilization charges, of \$1,526,583.22. So, if we take into account ordinary expenditure, capital expenditure and what is called special expenditure, there still was a surplus of \$16,569,780.59. So far this is a story of surpluses; but there is a further statement to be made which quite destroys that happy picture. There were charges for advances to railways of \$97,950,645.36. If we take, then, the whole expenditure for the year, ordinary, capital, special and railways, there was a deficit in that year of \$81,380,864.77. After allowances for some deductions are made, the net result was that in that year we added to the public debt \$81,256,818.04.

We turn now to the year 1922-1923 which closed not many days ago. We have not the complete accounts before us, but there is sufficient information to enable us practically to announce the result. Ordinary revenue amounted to \$393,619,000. These are estimates, as the figures are not absolutely final. Ordinary expenditure amounted to about \$331,780,000. As between those two items, there was then a surplus of \$61,839,000. Capital expenditure, however, represents \$14,500,000; adjustment of war claims, \$6,700,000; cost of loan flotations, \$3,050,000; these representing in all \$24,250,000. There was thus a surplus over ordinary, capital and special expenditures, of \$37,589,000. But again the railways have to be taken into account. We had to advance during that year \$92,190,000 for railways, and \$6,060,720 for the Canadian Government Merchant Marine, making in all for that charge, \$98,250,720. This, of course, takes up all the surplus I have mentioned and leaves a large balance on the other side of the account. If we take everything into consideration for the year, the net result was that we added to the public debt in the year just closed \$49,293,086. The receipt of something over \$8,000,000 from the British government on exchange account helped us to keep down what otherwise would have been a larger addition to the public debt.

The Public Debt

The addition of nearly \$50,000,000 to our public debt in the past year is not a situation that should cause very much satisfaction in

any quarter. During the war it was inevitable that there should be large additions to the public debt, and after the war was over there also had to be large additions to the public debt; but the war has been over for several years; we are now getting to a period of peace, so-called, and many will think it is about time that we endeavoured to balance our budget; that is to say, that we no longer have the excuse of the war for spending more money than we receive. I suppose stern economists will say that that is what should be done. I confess, as Minister of Finance, that it would be very agreeable to me if I could present such a statement, and the temptation is strong to pile on the taxes and meet the difficulty. Many people who have the critical spirit, without responsibility, will probably say that that is what a Minister of Finance should do. There is, however, another side to the account. The people of Canada are pretty heavily taxed to-day; between Dominion, provincial and municipal taxation, the burdens of the people are very great, and I am reluctant to add to those burdens now by introducing new forms of taxation. Readjustments there will be, reductions here, changes in various ways; but I do not want at present to yield to the temptation of opening up new fields of taxation. I am going to ask the House and the country to bear patiently for a year or two, perhaps, the condition of affairs, in the hope that the betterment which, we believe, is near at hand, will enable us to bear the burdens without opening up these new fields of taxation to which I refer. I am, therefore, going to ask the House to take the result that we may have to add some little amount to the public debt even yet, rather than introduce new forms of taxation.

It is true that we are adding to the public debt each year, but I note with satisfaction that the amount of the addition is each year diminishing. The figures of our additions to the debt immediately before the war, during the war years and in the years since the armistice, are encouraging. I will now give the round millions. From 1914, the increases in the public debt are as follows:

1914..	\$ 21,000,000
1915..	\$113,000,000
1916..	185,000,000
1917..	264,000,000
1918..	312,000,000
1919..	382,000,000
1920..	674,000,000

1920 seems to have been the banner year in the way of additions to the debt:

1921..	\$92,000,000
1922..	81,000,000
1923..	49,000,000

