

# OPPOSITION LEADER ANALYZES THE BUDGET

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### Mr. Saunders flays

In the course of my remarks on the Draft Address I dealt with this matter again. My hon. friend the leader of the Government, who followed me in the debate, came out with some statement, of a very vague and general nature, with regard to a meeting of a commission of experts to be held some time this fall. He intimated that the Government would have an opportunity of presenting our claims before that body, and that they would pass on a recommendation to the Federal Government. My hon. friend appeared to me to be very hazy on the subject. He did not appear to have a very clear knowledge of what might happen or what the course might be.

I have since made enquiries from the other Provinces, and I have not been able to find that they have any knowledge of this board to which my hon. friend referred. Apparently, then, these experts are to be appointed to deal only with the subsidy claims of this Province. If so it is a most remarkable course to take. It is without precedent. Time and time again we have had delegations from practically every Government that has been in power since Confederation, going to Ottawa to deal with this matter; and they have always dealt either with the Ministers or more frequently with a sub-committee of the Privy Council. And, of course, there is not any reason for any other way. The only reason why I ever suggested a commission of experts was because all the interests of the different Provinces would have to be considered, because a great deal of data would have to be prepared and presented and a great many financial considerations would be involved before a proper conclusion could be arrived at. It might be that the matter could best be dealt with by the Supreme Court of Canada, especially if they had the advice and assistance of expert assessors and accountants on matters of pure arithmetic.

### No Corroboration

But there is the situation. We find that when the pressure from the teachers began, when the time for making some sort of public announcement was getting close, the leader of the Government goes to Ottawa, comes back with this word which he received apparently in private from the Federal Minister, and we have this announcement subsequently made to the teachers. I submit, Mr. Speaker, that had the teachers received any ground of assurance that my hon. friend was sincere, that he had actually made substantial progress and had a fair opportunity of success, they would have treated the matter reasonably, this strike would never have come so near materializing as it did and they would have gone back to their work with contented minds. But the leader of the Government was not able to give them any concrete assurance. In other words, he had no corroboration. (Applause.)

Corroboration is a very important thing, as my hon. friend knows from his experience at law. It is very often required. Many cases have been non-suited for want of corroborative evidence. If, then, the leader of the Government had been able to corroborate his statements in any way, the teachers certainly would have accepted his proposal and they would have gone back to their duties. But unfortunately for the leader of the Government, unfortunately for this Province, he was not able, or he did not choose, to produce that corroboration. I, myself, attempted to assist him out of the difficulty by placing on the Order Paper a request that he table the correspondence in connection with this matter; because I cannot conceive, and I do not think any man in this Province can conceive, how he could be actively and energetically engaged in pressing the claims of this Province for subsidy throughout the year without being able to produce correspondence to that effect. Business is not done in that way nowadays. If he were doing his full duty in the matter he would not only be corresponding with Ottawa, but he would be taking it up in the most active way with the other provinces of Canada, and especially with the other two Maritime Provinces. It is very important that we should know this; very important for this Province to know whether or not my hon. friend has been attempting at least to co-operate with our sister provinces of Nova Scotia and New Brunswick.

### Premier Saunders' Opportunity

As we all know, the Province of Nova Scotia is in a bad way financially, just as this Province is. They cannot make revenue and expenditure meet. They are in dire need of increased subsidy, and I have it on direct information that they are most anxious to get a readjustment of

their provincial subsidies. Now if this shibboleth of "Two Governments in line" were of any value at all, if my hon. friend was in earnest and was prepared to put aside his party politics, look at the great opportunity he would have! The only Premier in the Maritime Provinces in line with the Government at Ottawa! What a benefit he would be to the Maritime Provinces if he had used that privilege to assist our sister Provinces by the sea! (Applause.) But we have no reason to believe that he did. He has not even told us that he did. He has not taken us into his confidence in the slightest degree; and I say, upon his silence on that account if on no other, that the blame must rest with this Government for the teachers' strike. (Applause.)

My hon. friend says that to place in the hands of the people of this Province the details of his endeavors during the past year to obtain an increase in provincial subsidy would not be in the public interest. It was not in the public interest that the people should know what he had been doing in the public interest, in the interest of the teachers, in the interest of increased revenue for this Province? He says, in effect, that it is better that this information be suppressed, that the public should not know anything about it. Is that a reasonable statement, Mr. Speaker? Is it a statement of a man who is endeavoring honestly and squarely to do his best in the public interest? Why shouldn't the public see these letters? Are we in danger of war between the Provinces, or between this Province and the Dominion of Canada? Are the diplomatic relations so strained and so delicate that it would be dangerous to let the people see the correspondence? (Loud applause.)

### The People Left in the Dark

This Province does not know where it stands with regard to increased subsidy. It does not know whether the Government which it elected to power is doing anything, or whether they are simply lying down on the job or doing something even worse. It may be that my hon. friend does not wish to trouble, to worry, to annoy, the Ministers at Ottawa. If that is his position, the public should know it. He should let us know, and some other method could be adopted at once of pressing this matter of subsidy. No other interests should stand in the way, public or private. The matter is too serious to be played with; it is too vital to allow any political camouflage to enter into it for a moment. Our arguments, my hon. friend admits, are irrefutable. Then why the delay? It does not rest on the shoulders of the Federal Government, because we have the word of the Prime Minister of Canada on the floor of the House of Commons to that effect. He himself placed the blame where it belongs, and it rests on the shoulders of the Government of this Province that this matter has not been pressed. WHY NOT? That is the question which will not down. Are the people of this Province to be treated as children by my hon. friend? Are they to be excluded from the confidence of the Government in this matter? Can not the correspondence—~~all this~~—be published? I almost feel like venturing the statement that there is no correspondence. Mr. Speaker, when we take into consideration all the facts and circumstances. (Loud applause.)

### Found A Surplus, Left A Deficit

With regard to the financial situation, I am not going to weary the House with a great array of figures. I do not think it is wise. The people of this Province study the public accounts and they are in a position to judge for themselves of the financial position as there set forth. I made one general statement last night, however, which I shall repeat; that when this Government came into power they found a surplus in the treasury. I am not making that statement on my own authority merely, it is made on the authority of their own auditors, appointed by them to re-audit the accounts the moment they came into power. According to the audit of Messrs Poole and Scarth it was shown that there was a small surplus in the treasury at that time. Then we might turn to the report of the Provincial Auditor; a gentleman with whom I have no fault to find; a capable official who is, I believe, entirely acceptable to this Government; at least they say so. On page 8 of his statement of expenditure, revenue and liability for the year 1927 it is stated that the increase of debt in 1927 was \$159,129.21.

I do not need to deal with that any further. That is conclusive. We left a surplus in the treasury at the expiration of our term of office, and they came out at the end of the year with an increase in debt of practically \$160,000. Of course, they attempted to fasten that on our shoulders; but that course never held water

in the face of the statements of their own auditors. If further corroboration is needed, however, it is contained in their record for this year, where they cannot blame anyone but themselves for the expenditures incurred. They had full control from January until December, and they again increased the debt, according to the same auditor's report; only this year it is not referred to as a debt at all, it is called "liability." What a marvellous metamorphosis! What a wonderful transformation! The very same thing which was a debt in 1927 was converted into a "liability" in 1928. (Laughter.) I don't know what they will call it next year.

Voice: A surplus! (Increased laughter.)

Hon. Mr. Stewart: Yes, I suppose that will be the end of it. At any rate the increase in liability in 1928 was \$192,645. Surely that is corroboration of the responsibility which we placed on their shoulders for 1927. What have we got as a result? A total increase in debt, or in mixed debt and "liability" of \$351,774. And that wonderful result, Mr. Speaker, was brought about by a gentleman who raised his hands to heaven and made the walls of this House resound with his denunciation of the Conservative Government because we had gone behind to the tune of about \$41,000 a year. That is the difference between criticism and implementation. That is the difference between being outside and looking in, and being inside and looking out. A man may be a very "strong" man when he is outside, looking in; and he may be very weak when he is inside looking out.

### A Comparison

Suppose we take that record for two years, what would it amount to? My hon. friends can figure that out for themselves, but I shall give them an example of how other records have been figured which may assist them. In 1927 the present leader of the Government, speaking on the budget, stated that we had gone behind in our full term of four years; he figured it out in three different ways and arrived at three different results. When he came to the third, however, he said: "This is true"; and the result was \$494,000. That must be true, Mr. Speaker, since he said so; and that covered the four years of our administration. Now, let us take the result this year, an increase in debt or liability—or both—of \$192,645, and multiply it by four. You will find, I think, that it will exceed \$494,000. As a matter of fact, it will pretty nearly double that amount. That, I submit, is a pretty fair comparison between the two records so far as they have gone. But in the case of my hon. friend, the record is going to be worse, because last year he budgeted for a deficit of \$15,000 and this year he is anticipating practically \$30,000 of deficit.

This matter of increase in the debt of the Province, apart altogether from politics, is a very serious one. Just let us examine the figures for a moment. In 1918, the debt of the Province—or the liability, if you wish to call it that—was \$985,262. Ten years went by, and in 1928 it was \$2,382,199. In other words, we increased the total debt in ten years to the tune of \$1,396,937; more than double.

### Road Expenditures

The great difficulty, so far as the debt is concerned, is with regard to public road expenditures. If you take away the moneys that have been spent on roads in this Province during the period I have just mentioned you will find that there has been practically no increase in public debt. Of course, if we were getting ahead it might be excusable. But are we getting ahead? Have we increased the efficiency and quality of our public roads in proportion to our expenditure? Both parties have been engaged in this, and I am not dealing with it from a partisan standpoint at all. We have in this Province a most serious financial problem on account of our road system. We have not made very much advance, in my opinion, with regard to permanency. It is true we have constructed some culverts and bridges; all those things are good and they are worth the money. But, apart from that what have we? Take this road machinery, for example; it is only a very temporary expedient at the best. Take our highways that have been constructed, both under the Bell Government and our own. How long, after all, will they stand if left alone? What permanency was there in them? We are faced with this situation and we do not see any solution; but I submit to all sincerely that it is a proposition which must be considered very earnestly and carefully.

Not only is our debt increasing, but, as a corollary of that, our interest charge is also increasing. I would have many of our people have examined to see how much we are paying in interest. We look up the Public Accounts, and they show that we

are now paying \$74,000. As a matter of fact we are paying almost double that amount; \$117,355, to be exact. Next year we will pay about \$122,000 for interest charges alone; as was spent altogether, a few years ago, in the Department of Public Works. The \$74,000 in the Public Accounts only takes in the interest we pay on bank overdraft, short loans and some of the debenture debt. The bond issues for highways are paid, as you know, from the motor vehicle earnings, and consequently they do not appear as interest charges at all; nevertheless we are paying that additional interest. We would have that; much more revenue if we did not have to pay that interest charge. And that is going to keep doubling up year after year. That is the situation, and it is a disquieting one.

### Funding System

My hon. friend said something the other night with regard to the funding of the public debt. We have a limited funding system now, of course. It is quite true that our sinking fund system will not take care of all our bonds as they mature, but they are taking care of them partially. I would like to remind my hon. friend, since he has referred to this matter, that when we came into power the sinking funds were not being funded, the money was going into revenue and we were losing all the benefit of the sinking fund system by that pernicious system that had crept in.

Ten years ago, as I said before, we were only paying about half of the interest that we are paying today. Our debt and our interest has practically doubled in ten years; and what have we got for it?

My hon. friend made some comparison last night with regard to the different departments. I submit that his statements were misleading. He was merely comparing himself with himself; his record in 1927 with his record in 1928. We will grant that he has made some improvement, that he has profited in some little degree by his experience so far. But I would rather make a comparison between a year of the previous Government's administration and this year; and in order to be as nearly fair as possible I will take the last year in which the previous government was in power. My hon. friend, in making comparisons between the two administrations on a former occasion, said that the family budget had not varied materially so far as cost is concerned, and we can say the same in making a comparison between the years 1928 and 1928. The cost of governing has not varied much in that time, and 1928 is the nearest full year we can get in making a Conservative comparison with the present administration during 1928.

### Department of Justice

Let us take for comparison my hon. friend's own department. In 1928 the cost of the department of Justice was \$37,194. In 1928 it was \$42,092; or an increase of nearly \$5,000. That, I submit, is a fair comparison. I am not going to criticize my hon. friend very severely with regard to this department, because there are things that arise, such as the number of criminal cases, which affect the expenses somewhat; but I just want to draw his attention to the fact that when he boasts of economy he cannot say that his record is better than the average, to say the least. As a matter of fact, those departments are being carried on about the same as usual—under the direction of Mr. Campbell "assisted by the undersigned."

I might go on and deal with the finances a little further. I may have to refer to them as I go along; but at present I shall come to the Department of Agriculture. Although I was at one time the acting Minister of Agriculture I shall not venture to follow my hon. friend's example and treat this House to an expert lecture on the growing of potatoes, the quality of lamb and the raising of hens and chickens. I do not think this is the proper time or place for such a lecture. I could not help wondering, in as much as my hon. friend has treated this House twice during this session to the same remarks on this subject, whether it was an echo of something that had happened before, or whether it was by way of practice for something that is to come. It struck me that it was either one or the other.

### Agriculture

In 1926 our expenditure in connection with the department of Agriculture was roughly \$35,000. The expenditure last year in the same Department was \$29,000; an increase of \$6,000. Not a serious increase at all; not an increase that might not be justified; and on the whole I am not making any criticism with regard to that expenditure. But I do say that we have nothing to show for that expenditure. I know that if my hon. friend were going to follow

me he would contradict that statement. I can almost hear his declamation: "The ideal when the potatoes were grown so well, when the chickens were fattening and the lamb tasted so nice, to say that this Government is not doing anything for agriculture. Preposterous!" And yet there are the cold facts. We have not any evidence, unless we are to credit the Minister of Agriculture with having accomplished these things. I have the highest regard for that gentleman, but my regard for him is not high enough to place him beside Providence. I have not got to the point where I can glorify him as the leader of the Government did, attributing to him almost supernatural power; because the moment he became Minister of Agriculture—we are told that the pigs and chickens grew better in flavor and quality, the potatoes thrived and the butter and cheese developed miraculously. (Laughter.) We know just to whom to give the credit for those things. It is due and will be given by every sane person to the people to whom it belongs; and that is to the intelligent farming community of this Province; to their efforts and to their alone. We would have the same quality of potatoes, of lamb, and of chickens if we never had a Minister of Agriculture, so far as that goes.

My hon. friend from West River (Hon. Mr. LePage) is amused! I hope that he will not depart so very much from his religious principles as to attempt to give credit to the Minister of Agriculture instead of to Providence for the good growing conditions! (Applause.)

### Agricultural Courses Discontinued

The new acting Minister of Agriculture (Hon. Mr. Saunders) has made this statement: that they increased the activities of that department under the technical or agricultural grant; that they have enlarged the scope of their work and added improvements to the agreement that was made in April, 1927, when the Conservative Government was in power. I questioned him on that, but he was very emphatic about it. I have since examined into the official records and I find, as I expected, that I was right and he was wrong. There has been no addition; there has been nothing added since. Worse than that, the activities that were then provided for and established have been done away with. We have drifted behind, until the only activity we are now carrying on under that grant is the domestic science courses for a few girls who come into Charlottetown. The short courses in wood working, in motor mechanics, the night schools for adults—all these things have been dropped under the present administration of this Department. We also had fruit experts employed; his appointment was done away with, and practically everything else. Though my hon. friends are taking credit for having had this technical grant applied to agricultural activities, what have they to show for it? What good is it to us? Absolutely none, under their administration. We have no agricultural courses at all. And yet my hon. friends still make the welkin ring with complaints about the discontinuance of the Technical School—an institution that was burdensome to this Province beyond all reason. Those agricultural courses could still have been carried on had the policy of the Conservative Government been continued. Plans were made and arrangements were effected to this end but these measures were dropped. The result is that today there is no agricultural education in this Province, although we have that grant available under the recommendations of the Duncan Commission.

Another plank in their election platform was the promise "to promote the growing of cranberries, blueberries and small vegetables." The machinery was there when they came into power. The man was there, the best expert that could be obtained; and the proof is that he is now making his own living by fruit growing in this Province since he was dismissed from the public service by my hon. friends. That was the man who had instructions, when they came in, to carry on experiments with regard to those very matters. They not only forgot their policy in that regard, they not only neglected to implement their promise to further develop this industry, but they deliberately discontinued what was being done. (Applause.)

### Election Promises

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Another promise was "to thoroughly test the feasibility of establishing the canning industry in this Province." I would like to get some information on that matter. Unfortunately, the leader of the Government has already spoken, and the Minister of Agriculture is not here. I am going to ask the Minister of Public Works, when he speaks in this debate, as I know he will, to get this information for us. He knows something about canning; he is a canner himself. (I am afraid he will finish by canning the road machines!) (Laughter.) At any rate, he ought to be able to tell us something about the canning of blueberries and what experiments, if any, the Government has made in that respect. He might tell us also what the Government has done generally to promote agricultural education since they came into power. I will not inflict on my hon. friend the leader of the Government the punishment of attempting to give that answer, because I know he cannot do it. There is no answer to give; I can tell him that beforehand. (Applause.)

### Public Works

I am going to discuss for a moment the subject of public works. Last year the total expenditure in the Department of Public Works was practically \$600,000; as much as, or more than our whole revenue a few years ago. My hon. friend last night attempted to make some comparison between that expenditure and the expenditure when the Bell Government was in power, and when the subsequent Conservative Government was in. Of course, there is not any fair comparison. Up to that time we were getting forty per cent from the Federal Government and we were expending perhaps more than was wise in an effort to get the highway grant used up. Besides that, we were carrying on what was called a system of highway improvement, and there were certain requirements which had to be met before we could take advantage of the Dominion grant for that purpose. But surely no one will dignify what was done in 1928 by the name of highway improvement. In 1928, however, which was a normal year, when the highway grant had been discontinued and when it would be fair to make a comparison with last year, the total expenditure was \$255,640, according to the records in the corresponding page in the Public Accounts; in other words, there has been an increased expenditure of \$344,360; pretty nearly double.

Now will any one attempt to suggest that we are in any better position, that we have a better situation today? It is true they have built a few bridges; we will give them credit for that, although the same applies to previous years and other administrations. I am quite prepared to go further and give them credit for a certain amount of work they did with the heavy graders in widening the roads, which is an improvement. But I do not think there is anybody outside of the Government ranks who will have the hardihood to make the claim that this Province got value for that expenditure of practically \$600,000.

We have already read what their own party press said about their roads at a certain time. As I said before, the road machines in many cases, if used indiscriminately, will do the roads more harm than good, especially if they are not followed up by subsequent care and attention. That was the condition that prevailed in many cases last year; the follow-up work was neglected, and the machining simply made a difficult road to travel on.

### Graveling of Roads

There is another matter in connection with the Department of Public Works to which I would like to direct the attention of the House. That is the matter of graveling. As I pointed out last year, there is to my mind a very serious doubt whether the borrowing of public money for graveling is justified. I do not think the Minister of Public Works will suggest that it makes permanent roads. I think he will agree with me that in the end the upkeep of the gravelled road is more expensive than the dirt road, and I believe the records of public expenditure in other provinces will prove that. Of course, where the gravel was laid down last year, if it were properly laid, there should be an improvement for two or three years. We know, however, that the gravel continually sinks and disappears in the ground, and that it has to be re-graveled; it must be harrowed and scraped, and so many other things are required that run into a great deal of money. These are things, as I submitted before, which have to be taken into consideration when discussing the financial side of graveling roads, especially when you have to do it with borrowed money. Last year this Government bor-

rowed \$150,000 for graveling. They did that under statute; they took statutory authority; they passed an act in this House which empowered them to borrow \$300,000 for graveling the roads. They borrowed half of that, but they only spent \$83,000. The rest went into what might be called ordinary revenue. There is no record of it being expended for graveling.

The same thing occurred in connection with the Cardigan ferry boat. The loan was for an expenditure of \$20,000. There was an actual expenditure of some \$14,500 on that boat. We do not know how much is still due; the rest of it is not carried over, as it should have been, in a separate account and shown to be on hand and kept in trust. That money was borrowed under the authority of a statute passed in this Legislature. It is virtually a trust account and should be kept separate. On the contrary, however, the balance is practically thrown into current revenue, although the boat is not yet completely paid for and we do not know how much is still owing. All we know is that there is none of that loan specifically set aside for the purpose for which it was voted—a piece of negligence which is clearly a violation of the law.

### Borrowings

My hon. friends estimated last year \$105,500 for capital expenditure, and they spent \$270,000. They borrowed \$70,000 in excess of their estimate, and where is the money? They borrowed that under statutory provisions of this Legislature and the House is entitled to an exact account of every dollar of that money. I am going to make another comparison with the year 1928. This new road system of my hon. friends was going to be a wonderful thing. I gathered that it was going to effect a great saving of money. In 1928 the ordinary repairs for roads, etc., the net amount, was \$49,312. And what do you think it was last year, Mr. Speaker, when those new power machines were in operation? I said before that they had destroyed the public roads. It seems that they destroyed money as well, for the same thing last year, instead of forty five thousand, cost \$115,000.

Let us examine the figures in the Blue-books with regard to this expenditure. For 1928 they are as follows: Repairs, \$21,500; road machinery and patrol, \$22,803; inspectors, engineers and road masters, \$13,579. A total of \$78,196 which, deducting the receipts from the road masters and gasoline tax, leaves a net amount of \$45,211.

### Mounting Expenditures

Take the corresponding entries for 1928: repairs, \$89,432. (I wonder if that is accounted for by the repairs to the road machines?) Patrol and machinery, \$12,025; road masters and engineers, \$25,953. Just let us compare that last item: thirteen thousand in 1928, twenty-five thousand in 1928, and under a system which it was promised us would save money! My hon. friends when in Opposition were always declaiming against the tremendous amount that it took to pay the road masters; and here they have paid over half as much again. That is the record of the ordinary expenditures on roads, and surely nobody will venture to say that we have any better conditions as a result of this greatly increased expenditure. My hon. friend made that statement last night, of course, but I shall forgive him for it. People know his little weaknesses; they know his desire for praise, his vanity, and of course they would tell him the roads were splendid. Why wouldn't they? They would tell him that—especially his own friends—notwithstanding the fact that they were being almost thrown out of their cars.

We have heard a good deal about the advantages of governments being "in line." I have always said that it depends entirely on the Government; on what Government is in line, and with what. I want to show you just how the two Governments "in line" are working out at the present time. I have a record here, but I shall not wait to hunt it up. There was a presentation at this conference of 1927 between the Provinces and the Dominion of Canada, made by the present Premier of this Province and the Hon. Mr. Inman. The presentation urged very strongly the revival and continuation of the Federal highway grant to this Province. This Government was then, as it is now, "in line" with the Federal Government; and what was the result? We find that a debated resolution of the very same matter came up in the House of Commons during the present session. We find the Hon. John E. Sinclair on the floor of the House condemning the continuation of that grant and saying that while we had it it was more injurious than anything else, because it had induced extravagant expenditure, and that

if there was any money to be spent on Prince Edward Island it should not be spent on highway improvement but on railway extension. If necessary I can produce the Hansard report of his speech to that effect. There is an example of Governments "in line"—this Government pulling one way, our Federal representative in Parliament pulling another. If that is the way they work together is it any wonder, Mr. Speaker, that we are making such wonderful "head-way" with regard to securing increased subsidy? (Applause.)

### A Correction

Continuing the debate on Friday morning, April 5th, Mr. Stewart said: Before proceeding with the discussion in the regular way, I want to refer for a moment to a charge which was made by the leader of the Government in his budget speech the other evening, when he accused me of making the statement that he had taken a trip to the Coast at the public expense. I never made any statement in those words or to that purport. I do not know why he quoted me in that way; his statement is entirely without foundation.

Premier Saunders: I accept your statement. That was the inference I drew from your reference.

Hon. Mr. Stewart: I have no recollection of referring to it. I had reference to my hon. friend's trip to Ottawa, but I certainly made no comment with regard to the other matter.

### Taxation

When this debate was adjourned I was about to deal with the question of taxation. We on this side of the House have been charged with having reduced the taxes. The charge is perfectly justified; it is quite true. Our friends on the other side do not seem to understand the reason why we did it. The immediate reason for our making that reduction does not appeal to them. It never did. It was because we had promised the people we would do it. (Applause.)

The statement has been made that because of our reducing the taxes they have not been able to increase the teachers' salaries. Of course that statement has only to be considered for a moment in order that it may be seen just how ridiculous it is. The leader of the Government in his budget speech mentioned the repeal of the poll tax; that was one of the reasons. He surely could not have been serious when he made that statement. He must have forgotten for a moment that the poll tax was repealed four years before he came into power. The revenue of the country had been deprived of that source for those four years and during all that time he had been studying the Public Accounts and lecturing the House on this matter. He certainly could not have had the poll tax revenue in mind when he made his promise to the teachers a year ago, for he knew just exactly where he stood with regard to the poll tax at that time. He might just as well have taken into consideration a tax that had been repealed twenty years ago. (Applause.)

### Mr. Saunders' Attitude

What was my hon. friend's attitude with regard to this matter? I would like to ask who it is that is charging the previous Government with the reduction of taxes. In what position does he stand himself on this question? I would like to draw my hon. friend's attention to the last year in which he was leading the Opposition. I have already referred to that famous speech of his in the budget debate of 1927, and I now ask what his attitude was at that time with regard to reduction in taxation? In that speech he charged us with extravagance; he spoke of the increases in revenue that were coming in. An increase in lieu of railway taxation had already been received, but as a matter of fact he intentionally ignored that \$80,000 because he said we were not entitled to it, and therefore it was not part of our revenue at all; so he made up the deficit, leaving that \$80,000 out entirely. He was therefore thoroughly aware of the receipt of the \$80,000, and he was also thoroughly aware that we were receiving the \$125,000 interim subsidy as recommended by the Duncan Commission. That was a settled matter and he treated it as such in his speech. With all those things in his mind, Mr. Speaker, let us see what he said on that occasion on the floor of this House.

First let me refer to his statement on the Draft Address as reported in the Patriot of March 19, 1927:

"As leader of the Liberal party, I want to say that one of the planks of the platform of the Liberal party if returned to power will be at least a reduction in the auto tax, and a downward revision of taxation generally. I make this statement and I repeat it so that there may be no mistake about it."

(Continued on Page Thirteen)