

2,000,000 of our population are dependent. Whatever adversely affects surplus exports adversely affects all classes in our country. The domestic exports are as follows:

Fiscal year ending March 31	Domestic Exports
1922.. . . . .	\$ 740,000,000
1923.. . . . .	931,000,000
1924.. . . . .	1,045,000,000
1925.. . . . .	1,069,000,000
1926.. . . . .	1,315,000,000
1927.. . . . .	1,252,000,000
1928.. . . . .	1,228,000,000
1929.. . . . .	1,364,000,000
1930.. . . . .	1,120,000,000

Hon. members will notice that there is an increase from \$740,000,000 in 1922 to \$1,120,000,000 in 1930, and higher even than that in the four years preceding. That is one indication of the prosperity in Canada in the period immediately preceding the present one.

May I refer to another phase of the matter which illustrates whether or not there was satisfactory administration of public affairs during that period. I refer to the public debt of the country. Public debt increases where there are deficits and decreases where there are surpluses. For years preceding the regime of the previous administration Canada had deficit after deficit. The public debt had enormously increased. There was the most serious problem with which we had to grapple, but what was the result? The result was that in the fiscal year ending March 31, 1924, instead of a deficit there was a surplus of \$35,993,594, and from then on till our last year of office there were surpluses each year. The surpluses which I shall now read indicate the extent to which the public debt of the country was reduced from 1923 to 1930:

Fiscal year ending March 31	Decreases in Debt
1924.. . . . .	\$35,993,594
1925.. . . . .	345,589
1926.. . . . .	27,706,587
1927.. . . . .	41,896,729
1928.. . . . .	50,984,137
1929.. . . . .	71,345,528
1930.. . . . .	47,740,746

These figures go to show that in seven successive years out of the eight and a half years during which the Liberal administration held office we had surpluses instead of deficits. These surpluses moreover total the enormous sum of over \$275,000,000 I ask, Mr. Speaker, whether or not that is a favourable legacy to leave a succeeding administration? May I further draw the attention of the house to the fact that these surpluses were effected not

by any system of borrowing; during the entire period the Liberal administration held office the capital as well as the ordinary expenditures were met out of current revenues. These surpluses were over and above all that had been spent on capital and current account.

Another indication of our success is shown by the reduction in taxation imposed.

Mr. HANSON: (York-Sunbury): Six per cent.

Mr. MACKENZIE KING: I think my hon. friend will find that the six per cent will return before very long. In order to place the finances of the country in a position that would make it possible to meet the obligations that had arisen from the administration preceding ours and to balance the budget we were obliged for a time to levy additional taxes. I ask hon. gentlemen opposite to remember however that we faced the situation squarely and that we met our obligations by taxation and not by borrowing. The country will expect the present administration to do likewise. It will expect that the obligations incurred so readily to serve the ends of a general election will be met out of taxation and not from additional borrowings which will entail a further baneful legacy upon the country.

When we found that it was possible out of existing revenues to balance our budget we began immediately to reduce taxation. Hon. members will remember that we reduced the indirect taxation in connection with customs duties. I shall not refer to that particular reduction in the figures I am about to quote at this time. It is estimated that the revenue remitted by the reduction of taxation in other forms amounted in the year 1926 to \$25,000,000; in 1927 that the reduction amounted to \$27,000,000; in 1928, to \$19,000,000; in 1929, to \$25,000,000 and last year, 1930, to \$22,000,000. A conservative estimate of reductions of taxation in the last five years shows that there has been a remission of taxation which now amounts to the vast total of \$116,000,000 a year, because the reduction which was made each year was a reduction which continued for and applied to each successive year.

The figures in tabular form are as follows:

Fiscal Year	Estimated Taxation Reduction (other than Customs)
1926-27.. . . . .	\$25,000,000
1927-28.. . . . .	27,000,000
1928-29.. . . . .	19,000,000
1929-30.. . . . .	25,000,000
1930-31.. . . . .	22,000,000