

twentieth century belongs to Canada. From my heart I believe it to be true, and not a mere rhetorical phrase. To my mind Canada is now in a similar position to that of the United States anterior to their Civil War. Then their West began to be peopled, now the tide has set towards our West.

As the years roll on Canada will make out a higher destiny, in what shape we know not, but, I believe, that the millions who will occupy our land will be true to the traditions of the mighty Empire of which this Canada of ours is a part. The budgets of future Finance Ministers will deal with figures beyond our present conception; and to my mind, beyond the occasional drawbacks incidental to development such as tight times, moderate harvests or over-speculation. I can see only in the future steady and universal progress.

#### For Less Materialistic Elections.

I now come to another subject and here I wish to speak carefully. I mentioned that with a revenue of \$80,000,000 Canada spent last year \$81,000,000. Now all this expenditure has been sanctioned by Parliament. Each item was duly submitted and passed. If any division occurred in any vote it was so infinitesimal as to be put aside and forgotten. I wish to emphasize that all this expenditure was sanctioned by Parliament. Now, Parliament represents the people, and in no country in the world have the people such control as in Canada. In their municipalities, in their provincial legislatures and in the Dominion Parliament the people, through their elected representatives, govern. There is no troublesome closure and the discussion of grievances precedes the granting of supply.

Occasionally the people rise and shake off their rulers; but, as a rule, when the time of an election approaches what do we see in the cartoons, what are the phrases in the election addresses, what is the talk of the man in the street, mainly that so and so is a strong man who can get favors for the district. Nearly all the arguments used in behalf of a candidate are materialistic. And when the turmoil is over and Parliament is called together and a vote is taken for a drill hall here, or a wharf there, or for a Custom House or a Post Office in some other place, however doubtful or perhaps unnecessary the vote may be, it is not for anyone to oppose and so the game goes on.

#### Better Sense of Responsibility Coming.

I am not blaming this Government or any Government, nor do I blame all electoral districts, but as long as the average voter considers that the great impersonal thing called Parliament, is created to find money to be spent in his own locality, so long will present conditions exist. But I see signs of a change. I think recent events will make thoughtful people sit up and think, and, I believe, the day is fast coming when members will be sent to Parliament who will consider that a great trust has been placed in their hands to be used for higher things than securing votes of Parliament.

Now all this \$81,000,000 was spent under conditions laid down in the statute book. The money was placed under the control of the departments charged with the several services—certificates were given by the proper officers that the services were performed and the prices charged were fair and just. The expenditure was reviewed by an independent official, the Auditor General, an official accountable to Parliament, and who can only be removed by Parliament. He had to see that all the gross revenues were paid into the Treasury and not the net, as in Great Britain, when large payments are deducted before cash is paid over. For much of the expenditure there is a pre-audit, and not, as in the motherland where all expenditures are audited after payment.

Beyond all, there is a great Committee of Parliament, the Public Accounts Committee, whose duty it is to examine into expenditures.

#### Contrast With Saint Stephen's.

Now there is a great difference between the Public Accounts Committee of the Imperial Parliament and the same committee here. At Westminster the Public Accounts Committee is made up of 15 members and is more of the nature of a judicial committee. The chairman is always a member of the opposition. The present chairman is Mr. Victor Cavendish, a son-in-law of Lord Lansdowne. It sits

frequently and reviews the expenditures serially. It is very interesting to see the members at their horseshoe-shaped table. The Secretary of the Treasury at one end, the Auditor General at the other, and the witness facing the members—everything is calm, business-like and judicial.

At Ottawa the committee is made up of more than a third of the House it sits when it can at the call of the chair, and its business is apparently to exploit scandals. I do not for one moment say that iniquity should not be exposed. Perhaps it might be possible to keep the large committee at Ottawa, and out of its number appoint a small sub-committee, who might make and receive suggestions and lay down principles regarding public finance.

But leaving that question, as regards the public expenditure, there are three sets of people concerned—there is first the authorizing the expenditures, there is second the finding the moneys, and in the third place the spenders. In other words there are the givers, the finders and the spenders. Now I suppose that the mere fact of having to find funds develops and hardens the faculties of resistance and restraint which are characteristic of treasury officials all the world over. They are generally unpopular, even a man so great as the late Lord Salisbury flouted and jeered at the Treasury.

#### Canada Is Spending Too Much.

I do not for one moment wish to lay down any rule respecting expenditure. There are certain expenditures which properly regulated are eminently desirable to be made, as, for instance, the bringing into the Dominion a good class of immigrants; the working out the schemes connected with agriculture, such as experimental farms, dairying, butter-making, cold storage; the protection and development of fisheries; the watching over our forests; all these are productive expenditures and should be encouraged. I can even allow that in the recent great development there may be excused a little swagger and possible extravagance. But allowing all this I am afraid Canada is spending too much.

I am not a politician, but it would seem to me that either of three methods, to use Mr. Gladstone's favorite formula, might be adopted. Canada out of its abundance might redeem its indebtedness, or Canada might reduce its taxation, or it might, without adding to its debt, pay for its great national works. At the present time every effort should be made to save. It is true the debt has not been materially increased of late, but to repeat, every effort should be made to save.

The times are hard, the Bank of England rate is six per cent., there are no immediate prospects of cheaper money, for all the world, especially on this continent, is bent on expansion. The Canadian credit ranks high, very nearly equal to that of England. There are large maturing liabilities to be met of loans made some 25 to 30 years back, and it will require all the wisdom of Government to meet the future and preserve our high credit. For these reasons I think that expenditures should be critically scanned and that a halt should be called in many instances. In all this I have made no remarks respecting capital or ordinary expenditures, for time is too short, and the distinctions began long before I entered the services. But there is a tendency in dealing with capital expenditures to forget that they add to the debt.

#### Be Careful About Foreign Capital.

If time permitted I would enlarge upon what may possibly become dangerous to Canada, and that is a possible undue exploitation of foreign capital in developing Canadian interests. In a normal state of affairs the floating of high-class securities, such as Dominion, Provincial or municipal issues in England, France or other countries where generally a low rate of interest prevails, is good. But I have seen the bad effect in India in the sixties, when owing to the war in the States large amounts of capital were poured into the country. In recent times the same evil effect happened in Australia, when only two banks, I believe, survived the crash. It behoves Canadian financiers to be careful in floating Canadian enterprises abroad; and above all things to keep Canadian credit at a high level. Any enterprises floated outside Canada should be undoubted in every way.

And now for one last word, which to the members of Canadian Clubs united together to work out the highest

ideals in Canadian public affairs, I have no apology. Canada, although a spender in many directions, is to a beggarly paymaster. I have the Finance Department is like. Can who sets its policy is paid less than a branch of a chartered bank. If political chief, what of the perma

#### Much Work; Little Reward.

What are the hours of work the session? He is generally in goes to a Parliamentary committee mains until one. He is with his three, then to the House where hours. He has somehow to receive with his officers out of the session constituents and aid his friends in times there is the possible danger he is paid \$7,000 a year. All round exists. Our public service, although to say so, is a magnificent service in the world, but it is mis up to the ideal that the highest the State. It is not even a stable attracted many to it has been re with the Superannuation Act. Our future is to attract and keep able I would like to live to see a less and a better remunerated service. members of this Club and for men who are actuated by a high de and set forward these aims. To a wisdom and strength to do so is th this combination of right and wi ness, which, by the best authority exalts a nation.

#### TO DEVELOP GR

#### Power Company Seeking the R Increased at Fre

(From Our Own Co

The Canadian Pacific Railwa port for the Empress steamers; h ject of discussion this week. M expressed; but if the people of S with the landing of passengers and with the expectation of bet called for again.

The Eastern Steamship Com rates between this city and Boston- steamer, the "Governor Cobb" to turbine built for the coast trade, route for a couple of weeks, and gut down all records.

Early in the new year there holders of the People's Bank of sale made some months ago Delay in calling this meeting has

#### Power for St. John.

The Grand Falls Power Com adian and American capitalists, w to develop power from Grand Fa have asked the New Brunswick sive right to furnish power in St rights. They promise to make securing the right, and suggest power per year. Another Co Aroostook River falls, and instal units. This company will not be Falls Company for the St. John b power in Maine and New Brun

#### Lumbering Increased.

A statement issued by the F showed that upwards of sixty m were raised this year at the boor son is now very open. As yet t woods, and lumbering is being d There are indications that t will ask for considerable advances