

marked contrast to that record, the statement that in order to try to balance his budget, and even then he will not balance it, my right hon. friend has put on this year—the year he is going to administer; there is no chance for him to blame the Grits this time—

Mr. BENNETT: Hear, hear.

Mr. RALSTON: —he has put on this year \$78,000,000 of additional taxation. That is the added burden that is to be laid on the backs of the people. That means \$8 per head for every man, woman and child, or \$40 for every family of 5 in the dominion, of brand new taxation this year. It means also that having gone well up the hill under the former administration, we are now slipping down to the bottom again under my right hon. friend's administration.

Some hon. MEMBERS: Oh, oh.

Mr. RALSTON: I say again, under my right hon. friend's administration.

And that is not the end of it. My right hon. friend himself suggests that that increased taxation of \$78,000,000 will not enable him to balance his budget, that in order to balance it he has to have as much business done this year as last year with these additional sources of taxation, then he must borrow \$18,000,000 on capital account, and he will still be \$7,000,000 short. He said himself that he hoped that after he raised the increased taxation of 78 millions and capitalized the 18 millions there would be such a small deficit left that he would pay it by treasury bills. I am not a prophet nor the son of a prophet, but I predict that those treasury bills like promissory notes will turn into mortgages against the Dominion of Canada—they will become part of the funded debt. No, my right hon. friend's situation is simply this: He has \$105,000,000 of indebtedness, he has \$78,000,000 of increased taxation, leaving a difference of \$27,000,000; about \$18,000,000 he is going to capitalize; and he is still short \$8,000,000 or \$9,000,000 which he is going to pay, as he says, in treasury bills. These, Mr. Speaker, are some of the things which are missing from the budget speech of my right hon. friend.

But he emphasized in the course of his remarks that the expenditure of \$400,000,000 last year was wholly a Liberal expenditure except 2 millions for the Welland canal and 4 millions odd for unemployment relief. Let me remind this house and the country that my right hon. friend had an opportunity at the special session to change any of these amounts as he saw

[Mr. Ralston.]

fit, and he did change a good many of them, he cut out a good many public works, but notwithstanding the fact that within four months after the Dunning budget was brought down he had an opportunity to change it, he did not do so, and that year includes eight months of his administration.

But that is not the worst of it. My right hon. friend let the impression go abroad that he was paring down and economizing this year and that expenditures for this year were being cut down by about 37 millions. The inaccuracy of that was exposed recently by my hon. friend from Antigonish-Guysborough (Mr. Duff). But I think it was also exposed by my right hon. friend the Minister of Finance himself last Monday, when he admitted that although the Liberal budget last year was \$440,000,000 he himself has provided for expenditures this year of \$430,000,000—not very much of a reduction. When you consider the fact that in the \$440,000,000 are included special votes for the Welland canal and for unemployment relief, you are somewhat surprised to find my right hon. friend coming to this house in this period of depression, when he claims to be paring down the estimates to the bone, and budgeting for practically the same amount this year as we did last year. This is a striking commentary on his protestations of economy. I warn him now, although I do not think he needs the warning—that he has said he will not exceed the \$430,000,000. I do not think he will exceed it, for he intimates that that total includes supplementaries as well.

Now, Mr. Speaker, the question naturally arises, why these expenditures just now? Let me mention one item which comes pretty close home to my hon. friend. One of the reasons for these large expenditures now is his attempt to make good, piecemeal at least, some of the election promises which he made last July, and so in just a sentence we find an announcement which is somewhat important. He says:

Included in the expenditures to which I have referred, contemplated for this year, are those provided by the main estimates, and the additional sums which we have provided for supplementaries—

Then note this:

—besides the sum for old age pensions, increasing our contributions to the provinces from 50 to 75 per cent for this year only in respect of the total sums that are paid.

That is all there is about it; no blaring of trumpets, no headlines, nothing of that kind. There was a time when that was a headline promise, there was a time every newspaper in this country carried the promise